

# Suggestions on Draft Revised Guidelines for Retirement & Up-rating / De-rating of Generating Unit(s)

February, 2024



**Suggestions/Comments on Draft Revised Guidelines for Retirement & Up-rating / De-rating of Generating Unit(s)**

<b>SNo.</b>	<b>Para no. of draft guidelines</b>	<b>Proposed draft guideline by CEA</b>	<b>Comments of draft guideline/Suggested draft guideline</b>	<b>Justification for the Comments/Suggested draft guideline</b>
<b>1</b>	Section 3.1 (a) (iii)	In case, the decision of the generating companies / utilities with regard to the retirements of the generating unit (s) is against any of the provisions in the policies / rules / regulations / guidelines / directions of the Central Government, then the Standing Committee may not agree with the decision of the generating companies / utilities and convey its decision to the generating companies / utilities / State Governments accordingly.	<p>The standing committee shall be tasked with outlining the retirement procedure for plants, encompassing residual life assessment, comprehensive resource planning including manpower, economic evaluation, consideration of energy security at state and national levels, renovation and modernization costs, organizational protocols, and other pertinent factors. It holds authority to ensure adherence to this process prior to granting approval for plant retirement.</p> <p>However, the committee cannot veto plant retirement decisions that do not align with the policies, rules, regulations, guidelines, or directives of the Central Government.</p>	The existing provisions infringe upon the authority of generators, utilities, and state governments to autonomously determine the management of their owned entities. This contravenes the concurrent jurisdiction inherent in electricity regulation and undermines their ability to pursue independent business strategies. Furthermore, it hampers utilities' capacity for state-level planning regarding the transition within the sector.
<b>2</b>	Section 3.1 (b)	Case II: When generating company / Utility seeks	The generator company or utility shall seek advice from the CEA to assess various aspects of plant operations, including remaining lifespan,	The proposed guidelines lack specificity regarding the type of advice to be solicited from the CEA.

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		advice of CEA for retirement of its generating Unit(s)	economic viability, maintenance costs (R&M expenses), energy security implications, and adherence to pertinent policies, regulations, guidelines, or directives.	The CEA may support the generator companies or utilities on a range of technical, policy, and procedural issues.
3	Section 3.1 (b) (iv)	After completing the examination of the proposal and interaction with the generating company, including any field/site visits, final decision of the Standing Committee shall be put up to Chairperson, CEA for approval. After the approval, Stakeholders would be informed, accordingly.	The retirement proposal put forth by the generator company/utilities shall include a detailed statement outlining the specific reasons and circumstances that led to the decision for retirement.	The statement outlining the reasons for retirement will assist the CEA in evaluating the decision and offering advice on mitigating the factors leading to retirement.
4	Section 3.2 (a) (i)	In case, the generating company / utility has decided to de-rate or up-rate the generating unit(s), as the case may be, shall request CEA to incorporate the same in the database of installed	The proposal for de-rating or up-rating presented by the generator company/utilities shall include a thorough statement delineating the precise reasons and circumstances motivating the decision.	The elucidation of retirement reasons will aid the CEA in evaluating the decision and providing guidance on mitigating the precipitating factors.

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		generating capacity of the country along with the following documents:		
5	Section 3.2 (b)	Case II: When generating company / Utility seeks advice of CEA for De-rating/Up-rating of Unit(s)	The generator company or utility shall seek advice of CEA to evaluate the effects on grid operations, plant efficiency, ecology, local environment, compliance with relevant policies, regulations, guidelines, or directives, and other pertinent factors.	The guidelines lack information on the nature of advice sought from the CEA, which can cover various technical, policy, and procedural matters for generator companies or utilities.
6	Section 3.2 (b) (iii)	The proposal for de-rating / up-rating of generating unit(s) shall be put up to the Standing Committee. The proposal shall be examined by the Standing Committee through various Divisions in CEA as per the relevant policies / regulations / guidelines / standards etc.	The proposal from the generator company/utilities must provide a comprehensive statement elucidating the precise rationale behind the decision to either up-rate or de-rate the plant. Additionally, it should encompass the requisite approvals for such modifications from pertinent authorities originally involved in the commissioning process, including but not limited to the Ministry of Environment and Forests, relevant State Government Departments, local administration, Pollution Control Boards, System Operators	The statement of reasons will aid the CEA in evaluating the decision and providing guidance.

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			(RLDC, SLDC, NLDC), and the Central Transmission Utility (CTU).	
7	Annexure I	No format for Statement of reasons	The annexures shall include a format for a statement of reasons to be submitted with the proposal for retirement, de-rating, or up-rating. It shall also include details regarding the status of clearances, approvals, and agreements with pertinent entities such as the Ministry of Environment and Forests, relevant State Government Departments, Pollution Control Boards, System Operators, and CTU.	
8	Annexure II	Constitution of Standing Committee for Retirement & Up-rating / De-rating of Generating Unit(s)	The standing committee for retirement & up-rating or de-rating of Generating Unit(s) shall also include representatives from the generating company/utility and system operators (SLDC/RLDC/NLDC/CTU/STU), state departments and local administration.	The participation of the generating company/utility representative in the Standing Committee for Retirement & Up-rating / De-rating of Generating Unit(s) is imperative to provide them the opportunity to present their case, thus ensuring transparency throughout the process. This will facilitate swift resolution of queries and discrepancies in the submitted proposals.

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				<p>Furthermore, the representatives from system operators (SLDC/RLDC/NLDC/CTU/STU) shall also contribute their input regarding the implications of retirement, up rating, or de-rating on the Grid which shall help identify potential impacts and propose mitigation measures.</p>
9	Not applicable	Guidelines for Decommissioning	CEA shall develop comprehensive guidelines for the decommissioning of plants. These guidelines will delineate the roles and responsibilities of relevant institutions, establish mechanisms for ensuring adherence to existing legal frameworks, outline mandates for contamination assessment and remediation, set forth a fiscal responsibility framework, and detail standard operating procedures for all aspects of the decommissioning process. These guidelines should prioritize environmentally and socially responsible decommissioning practices	The current environmental legal framework for closing thermal power plants has notable gaps that require further development. With lifespans exceeding 25 years, these plants have significant environmental impacts, often compounded by limited understanding due to their extended operation. Closure necessitates a comprehensive assessment of contamination and proper remediation measures. However, the lack of specific mandates and clear

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			while also establishing robust monitoring mechanisms to oversee the process effectively.	frameworks for responsibility and enforcement creates a governance vacuum, hindering effective implementation. This results in insufficient contamination assessments and remediation measures that often fail to meet required standards, primarily focusing on short-term objectives. The guidelines for decommissioning shall fill this vacuum and provide a framework to close thermal power plants.