

Emission Standards for Thermal Plants

What is the issue?

 $n\n$

\n

- Thermal power plants failed to comply with new emissions standards notified in 2015, by December 2017 deadline.
- Implementation remains unclear, even with the new opportunity to comply over a five-year period that ends in 2022. $\$

 $n\$

Why is it significant?

 $n\n$

\n

- Air quality is no longer a seasonal irritant as a public health crisis is looming.
- It may adversely impact public and private spending on health care.
- The health cost borne by society, if the standards are not implemented, far exceeds the implementation cost.
- It could make India's cities less attractive for investment.
- ullet It may also weaken long-term productivity, due to an unhealthy population.
- \bullet So it is crucial that the emission standards are implemented by the power plants. $\ensuremath{^{\text{Nn}}}$

١

 $n\$

What are the directions?

 $n\n$

\n

 \bullet The Central Pollution Control Board issued an order in December 2017. $\ensuremath{^{\backslash n}}$ • It lays out a clear implementation plan for \n

 $n\$

\n

i. electrostatic precipitator (ESP) retrofits (components) aimed at particulate matter

\n

ii. flue-gas desulfurisation (FGD) units for reducing sulphur oxides (SOx) emissions from power plants

۱۲.

 $n\n$

\n

 \bullet A successful reduction in emissions from power plants will depend on: $\ensuremath{^{\backslash n}}$

 $n\n$

\n

i. plant operators investing in retrofits

\n

ii. regulators permitting a full price revision for additional costs

iii. decline of bulk procurement costs for utilities

 $n\n$

What are the concerns and challenges?

 $n\n$

\n

• Power Utilities currently incur losses to the tune of Rs 700 billion a year from their operations.

\n

• This is because consumers are either subsidised or given free electricity, due to political pressures.

۱n

• Utilities are thus unable to recover even the cost of supplying power.

• So they are unlikely to recover higher costs resulting from plant retrofits.

 \bullet The installation and operation of these retrofits could increase the cost of procuring from coal-fired power stations. $\$

• It could result in an increase of 20% on the average costs of procurement

today.

۱n

• In turn, plant operators are concerned about their capital investment if utilities do not pay up.

\n

• The pace of implementation of the standards is thus well off the mark and there could be further delays.

n

 $n\n$

۱n

• Another challenge is that India has followed a command and control approach.

\n

 \bullet It does this by setting almost a uniform standard for all plants.

\n

• The United States had addressed an earlier acid rain issue through a comprehensive cap-and-trade mechanism for SOx emissions.

\n

• But India has many challenges in rolling out a cap-and-trade regime including:

\n

 $n\n$

\n

i. low levels of monitoring of emissions

\n

ii. low capacity within state pollution control boards

\n

iii. lack of a cadre of administrators to monitor

 $n\n$

What is the way forward?

 $n\n$

\n

• Bearing the additional costs of implementation is the first best outcome.

 $n\n$

۱'n

 Having a cadre of monitors in place to monitor emissions standards is essential.

\n

 \bullet Another way is to implement emissions control in tandem with increasing the efficiency of power plants.

۱n

• Meanwhile, a greater share of renewable electricity will demand a more flexible power system.

\n

 \bullet Some of the older plants could be renovated and modernised. $\ensuremath{\backslash n}$

 $n\n$

 $n\n$

Source: Business Standard

\n

