

**BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

Petition No. 684 of 2010

**IN THE MATTER OF:** Determination of tariff for supply of power from co-generation plant setting up additional power generation capacity based on coal during off season under GoUP Energy Policy, 2009.

**AND**

**IN THE MATTER OF:**

**Petitioner:**

M/s Wave Industries Pvt. Ltd.,  
(formerly Chadha Sugars Pvt. Ltd.)  
C-6 , Phase-11,  
Noida – 201305

**Respondents:**

1. Uttar Pradesh Power Corporation Ltd.  
(through its CMD)  
Shakti Bhawan, 14 – Ashok Marg,  
Lucknow.
2. Pashchimanchal Vidyut Vitran Nigam Ltd.,  
(through its M.D.)  
Victoria Park, Meerut.

The following were present:

- (1) Sri R.K. Johar, CE, PPA, UPPCL.
- (2) Sri S.P. Pandey, E.E., PPA, UPPCL.
- (3) Sri Jayant Verma, EE, PPA, UPPCL
- (4) Mohd.Yunus, Manager, Wave Industries.

**ORDER**

(Date of hearing 29.7.10)

1. The Petitioner has prayed for determination of tariff for coal based generation from their existing co-generation plant during off season as provided under the GoUP Energy Policy, 2009. They have requested to consider the capital cost incurred by them on conversion of plant from Bagasse based to multi fuel while determining the tariff. It has also been

mentioned that fuel is being arranged by them through imports at a landed cost of ₹ 6273/MT with SHR of 3630 Kcal/Kwh. The Petitioner has prayed for determination of tariff for the off season period from 6.5.2010 to 31.3.2013.

2. The issue had already been discussed under Petition Nos. 667, 669, 672, 677 & 678 of 2010 in a public hearing held on 10.5.10. In its order dated 16.6.10 /21.6.10, the Commission had decided a two part tariff for co-generation plants using coal during off-season consisting fixed charges and variable charges. Norms of Operation were decided based on submissions of the stakeholders and provisions of Regulations. As the use of multi fuel in co-generating plants had just been initiated in the State, no data on operations were available for determination of multi year tariff. It was considered that on completion of operation in one off-season, actual operational data would be available with the Commission. The analysis of these data along with all other available data from different States and sources would help the Commission in fixing more appropriate operating norms for this category of generation and the multi year tariff may be considered accordingly. Thus, the Commission had reached to the conclusion that in present circumstances, the tariff might be determined only for one year i.e. for the ongoing off-season only.
3. The Commission had decided tariff for 50% of the generation based on coal for co-generating plants (using bagasse in season) under the GoUP Energy Policy, 2009. The tariff was decided only for ongoing off season of FY 2010-11 vide order dated 16.6.10/21.6.10. As there is nothing new to consider under the subject petition at this stage, it is to reiterate that the approved tariff is applicable for all the co-generators including the Petitioner supplying 50% of the generated power based on coal from existing co-generation plants to state licensees under the GoUP Energy Policy, 2009. All other terms & conditions shall remain as provided under the said order.
4. The Commission had approved the tariff based on normative parameters only for ongoing season. Further tariff is to be decided by the Commission

on the basis of analysis of actual data obtained from the Generators, data obtained from other dependable agencies and prudence check. Therefore, it is required to have access to the information regarding actual transactions of power under the provisions of GoUP Energy Policy, 2009 during the period of off-season. It is also required to compare the available power purchase costs from other sources in the short term with power purchase costs from co-generators using coal during off-season in the same period. Hence, it is directed to all such Generators and UPPCL to submit to the Commission the monthly data on supply of power based on coal during off season. The UPPCL is also directed to submit the data on other short term purchases of power for the same period so that the comparative study on availability and power purchase costs may be undertaken. The comparative study and its cost- benefit analysis would help in deciding the reasonable cost of power from such sources in future.

5. The necessary amendment in the existing Regulations shall be made suitably.
6. It is also to reiterate that, as already directed by the Commission under above mentioned order, the copies of supplementary agreements for these additional capacities entered between the parties would be submitted to the Commission.
7. The petition is disposed of.

(Rajesh Awasthi)  
Chairman

Lucknow; Dated: 3<sup>rd</sup> August, 2010