



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2149 of 2024

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Regulation 44 of UPERC conduct of Business Regulations 2019, seeking amendments in Regulations 10.3 (ii) of the UPERC RSPV Regulations on behalf of Distribution Companies of U.P. Power Corporation Ltd., by invoking Regulation 16 and 17 UPERC RSPV Regulations, 2019.

AND

IN THE MATTER OF

1. Uttar Pradesh Power Corporation Limited,

(Through its Managing Director), 7th Floor, Shakti Bhawan, 14 – Ashok Marg, Lucknow – 226001.

2. Paschimanchal Vidyut Vitran Nigam Limited,

(Through its Managing Director) Victoria Park, Meerut, Uttar Pradesh – 250001.

3. Dakshinanchal Vidyut Vitran Nigam Limited,

(Through its Managing Director) Urja Bhawan, 220 KV Sub Station, Bypass Road, Sikandra, Agra, Uttar Pradesh – 282007.

4. Purvanchal Vidyut Vitran Nigam Limited,

(Through its Managing Director) DLW, Bhikharipur, Varanasi, Uttar Pradesh – 221004.

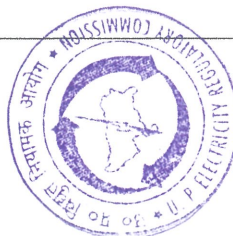
5. Madhyanchal Vidyut Vitran Nigam Limited,

(Through its Managing Director) 4A, Gokhale Marg, Block I, Gokhale Vihar, Butler Colony, Lucknow, Uttar Pradesh – 226001.

6. Kanpur Electricity Supply Company Ltd.,

(Through its Managing Director) 14/71, Civil Lines, KESA House, Kanpur-208001.

..... Petitioners





THE FOLLOWING WERE PRESENT

1. Shri D. C. Verma, Chief Engineer, UPPCL
2. Shri Manish Dwivedi, Superintendent Engineer, UPPCL
3. Shri Vikas Gupta, Executive Engineer, UPPCL
4. Shri Tanay Chaudhary, Advocate, NPCL

ORDER

(DATE OF HEARING: 27.05.2025)

1. The Petition has been filed under Regulation 44 of UPERC conduct of Business Regulations 2019, seeking amendments in Regulations 10.3 (ii) of the UPERC RSPV Regulations on behalf of Distribution Companies of U.P. Power Corporation Ltd., by invoking Regulation 16 and 17 of UPERC RSPV Regulations, 2019.
2. It has been prayed that the Commission may kindly invoke the Regulation 16: Power to relax and Regulation 17: Power to amend Principal Regulation and also allow to consider the weighted average tariff of large-scale solar projects of 5 MW & above, to reflect the latest tariff discovered in central and state government solar power tenders in the last financial year either adopted or approved by the Commission, plus an incentive of 25%. This dispensation will ensure a fair and equitable compensation mechanism that reflects the current market dynamics.
3. The Commission in its Order dated 09.05.2025 had observed that the prayer that has been made under Regulation 16 and 17 tantamount to amending the Regulation, which necessitates seeking comments from various stakeholder and public at large on the proposal. Accordingly, the Commission had decided to conduct a public hearing on 27.05.2025 and had provided an opportunity to the stakeholders to make submission in the matter. A public notice dated 09.05.2025 was issued vide which comments were sought and it was informed to all stakeholders and public at large that the Petition along with the public notice had been uploaded on the website on the Commission.

by





4. During the public hearing Shri D.C. Verma made oral submissions for UPPCL whereas NPCL submitted their comments on 26.05.2025.

Comments received:

5. UPPCL in its oral submission during public hearing, in addition to the prayers already made in its Petition, submitted that such large-scale solar projects may also be considered the bidding process for which has been completed in the last financial year but the tariff adoption/ approval by appropriate Commission could not be obtained in the last financial year.
6. NPCL Submitted that as per Order dated 18.02.2025 of CEA all Renewable Energy implementing Agencies (REIAs) & State Utilities are advised to incorporate a minimum of 2-hour co-located Energy Storage Systems (ESS), equivalent to 10% of the installed solar capacity in future solar tenders. Accordingly, REIAs have now started publishing tenders for purchase of Solar power with ESS. Due to the above mandate, it becomes extremely difficult to determine standalone solar rates. As such determination of solar injection compensation rates based on latest tariff rates discovered in central & State government solar power tenders becomes quite difficult.
7. It was also submitted to introduce annual Generic Tariff/Solar injection Compensation for the State of Uttar Pradesh as being done in other States like Maharashtra, Rajasthan, etc. This would promote lower tariff regime with a more competitive environment which in turn shall ensure availability of cheaper environment friendly RE power.

Commission Analysis:

8. The prayer made by UPPCL in its Petition to allow tariffs discovered through intermediary agencies for procurement of power by UPPCL and adopted/ approved by the appropriate Commission is logical and needs to be included for computation of weighted average tariff as both routes viz. directly by the licensee and through intermediary agencies, are available to licensee. Hence the Commission decides to make amendments in Regulation 10.3(ii) to include the same.

by





9. In its oral submission in public hearing prayer has been made by UPPCL to consider the competitive tariffs discovered in bids for solar power tenders in the last financial year and which have not yet been adopted/approved by the Commission. The Commission is of the view that the tariffs that have been discovered but are yet to be approved/ adopted by the Commission, do not have any legal force. Therefore, the comments of UPPCL in this context are not acceptable.
10. In regard to the submission made by NPCL, while the suggestion made is relevant, however the Commission is not willing to make any amendments in Regulations to provide for the same at this stage. Firstly, because it's in the nature of advisory. Secondly the licensees are yet to invite bids for procuring power accordingly with Battery Energy Storage System (BESS). So, benchmark tariff costs are not available. Even on National level very few bids on the lines suggested by CEA are available. The Commission would like to take some more time to study its impact on tariffs and to arrive at a methodology to derive solar injection compensation rates from them. Hence this prayer of NPCL has not been considered
11. The Commission, after considering the Petition and comments submitted by various stakeholders, has approved UPERC (Rooftop Solar PV Grid Interactive System Gross /Net Metering) Regulations, 2019 (Third Amendment), which shall come into force from the date of their notification in the Official Gazette of the State. The amendment, as approved, has been reproduced below:

Regulation No.	Existing Regulation	Amended Regulation
Regulation No. 10.3(ii)	<p>The Distribution License shall reimburse the eligible consumer or the third-party owner as the case may be for the quantum of injected electricity by the rooftop solar PV system during the billing period by way of 'Solar Injection Compensation'.</p> <p>Provided that the rate at which the Solar Injection Compensation to be paid by the Distribution Licensee to the eligible consumer or third-party owner as the case may be, shall be the weighted</p>	<p>The Distribution License shall reimburse the eligible consumer or the third-party owner as the case may be for the quantum of injected electricity by the rooftop solar PV system during the billing period by way of 'Solar Injection Compensation'.</p> <p>Provided that the rate at which the Solar Injection Compensation to be paid by the Distribution Licensee to the eligible consumer or third-party owner, as the case may be, shall be the weighted</p>

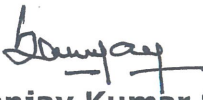




	average tariff of Large Scale Solar projects of 5 MW and more, discovered through Competitive Bidding in last Financial Year and adopted by the Commission plus an incentive of 25%. E.g. For FY 2018-19, weighted average tariff of large Solar projects of 5 MW and more discovered through Competitive Bidding in FY 2017-18 and adopted by the Commission plus an incentive of 25% shall be applicable. In case no bidding is done in previous Financial Year, then the last applicable tariff for gross metering shall continue.	average tariff of all Large Scale Solar projects of 5 MW or above, tariff for which has been discovered through Competitive bidding, either by the licensee or by an Intermediary Agency for the licensee, and which has been approved /adopted by the Commission, as applicable, in the last financial year plus an incentive of 25%. In case no bidding is done in previous Financial Year, then the last applicable tariff for gross metering shall continue.
--	---	--

12. The Commission also directed counsel for NPCL to submit Solar injection compensation rates issued by NPCL for the previous 3 years, within a week.

13. The Petition is hereby disposed of.


(Sanjay Kumar Singh)
Member


(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 03.06.2025

