



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2177 of 2024

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Section 86(1)(b) of the Electricity Act 2003 seeking approval of Procurement of infirm power from Unit-1 of the Ghatampur TPS (3x660 MW) on short term basis till the declaration of COD and approval of the SPPA dated 29.11.2024.

AND

IN THE MATTER OF

U.P. Power Corporation Ltd. (UPPCL),

Shakti Bhawan, 14-Ashok Marg, Lucknow – 226001

..... Petitioner

VERSUS

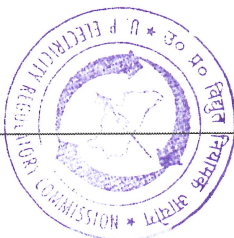
Neyveli Uttar Pradesh Power Limited,

KH 419, G.N. Extension, Gomti Nagar, Lucknow - 226010

..... Respondent

THE FOLLOWING WERE PRESENT

1. Shri Rishabh Bhardwaj, Advocate for UPPCL
2. Ms. Puja Priyadarshini, Advocate for UPPCL
3. Shri S.C. Joshi, SE, UPPCL
4. Shri C.S. Tomas, EE, UPPCL



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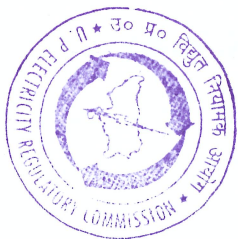
ORDER

(DATE OF HEARING: 11.02.2025)

1. The petitioner, UPPCL has filed this petition for approval of procurement of infirm power from Unit-1 of the Ghatampur TPS (3 x 660 MW) on short term basis till the declaration of COD and approval of the SPPA dated 29.11.2024.
2. The Petitioner has prayed the following:
 - (a) Admit the present petition;
 - (b) Approve the SPPA dated 29.11.2024;
 - (c) Approve the terms and conditions mentioned under the SPPA dated 29.11.2024 or any other terms as this Hon'ble Commission may deem appropriate;
 - (d) Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter the present pleading/petition as may be required;

Brief facts as stated in the petition:

1. The Petitioner (UPPCL) is the nodal agency for all the Discoms within the State of Uttar Pradesh and authorised to enter into Power Purchase Agreements (PPAs) on behalf of the UP Discoms. Respondent, Neyveli Uttar Pradesh Power Limited (NUPPL) is a joint venture company of NLC and UPRVUNL with a shareholding of NLC and UPRVUNL in the ratio of 51:49. NUPPL owns and operates the Ghatampur TPS (3X660 MW).
2. On 31.12.2010, UPPCL signed a PPA with NLC & UPRVUNL for setting up of and supply of power from the Ghatampur TPS to be owned and operated by a special purpose vehicle i.e. a JV company formed between NLC & UPRVUNL. Subsequently, to capture the changed name of the Seller/ NUPPL, a Deed of Amendment (DoA) was signed between NLC and UPPCL on 03.05.2024. On 31.10.2023, by way of order in Petition No. 1561 of 2020, the Commission approved the PPA for supply of 1487.28 MW of power from the Ghatampur TPS to UPPCL as per the allocation made by the MoP.



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3. On 05.10.2023, NUPPL approached UPPCL with an offer of sale and supply of the infirm power from the synchronization of the unit till the COD of Unit-1 and proposed that a bilateral agreement maybe entered into between NUPPL & UPPCL.
4. On 31.10.2023, UPPCL responded to NUPPL advising NUPPL that it has two options available with it, namely-
 - (i) NUPPL may sell infirm power on Energy Exchanges or through any bilateral arrangement; or
 - (ii) NUPPL may schedule power to UPPCL agreeing for commercial settlement between UPPCL and NUPPL in terms of the applicable laws and regulations which, however, will be determined under the applicable regulatory framework and communicated to the SLDC at a later stage.
5. On 30.03.2024, NUPPL communicated to UPPCL that Unit 1 of the Ghatampur TPS had been successfully synchronized with the grid on 04.11.2023 and offered to supply the infirm power to UPPCL at the price of Rs. 2.872 per unit.
6. On 01.05.2024 and 06.07.2024, UPPCL communicated to NUPPL that the rate of Rs. 2.872 per unit arrived in accordance with the methodology prescribed under the CERC (Terms & Conditions of Tariff) Regulations, 2024 is acceptable to it and would be subject to the approval of the Commission and that DSM Charges will have to be borne by NUPPL as per applicable laws.
7. A draft SPPA incorporating the understanding between the parties was shared by UPPCL to NUPPL on 18.11.2024 and the same was consented to by NUPPL on 21.11.2024. Thereafter, on 29.11.2024, subject to the approval by this Commission, NUPPL and UPPCL entered into a SPPA for the procurement of infirm power by UPPCL from the Ghatampur TPS.
8. The present proposal to avail power at Rs. 2.87 per unit is significantly lower than the average rate approved by the Commission for procurement



of power from short term sources. Hence, it is in the interest of the consumers of Uttar Pradesh that the present proposal be accepted.

9. It may further be appreciated that this infirm power is available only for a short period till COD of Unit-1 of the Ghatampur TPS and thus the Commission may be pleased to approve the procurement of infirm power by UPPCL from NUPPL by way of the approval of the SPPA dated 29.11.2024.

Record of Proceedings

10. During the hearing, the Commission queried regarding the tariff fixation of the Project and the period of injection of infirm power. The Counsel on behalf of the Petitioner responded that that the tariff would be determined by CERC under Section 79 of the Electricity Act'03 and infirm power was injected post synchronization of Unit-1 on 04.11.23 declared under commercial operation from 12.12.2024. She further added that the infirm power injection period was extended by CERC, and tariff was yet to be determined by CERC. However, since UPPCL power procurement was to be approved by this Commission, the instant petition has been filed. The Commission concluded the hearing.



Commission's View

11. The Commission observed that under Section 86(1)(b) of the electricity Act'03, the Commission has power to approve not only power procurement but also the price of power procurement. The Commission has already approved the long-term power procurement for supply of 1487.28 MW of power from the Ghatampur TPS to UPPCL as per the allocation made by the MoP, by way of its order dated 31.10.2023, in Petition No. 1561 of 2020.
12. The rate for infirm power of Rs. 2.872 per unit that the parties have agreed upon is much lower than the average rate of Rs. 7.31 per unit approved by the Commission for short-term power procurement vide its Order dated 10.10.2024 in the matter of approval of ARR and Tariff for the State Discoms for FY 2024-25.

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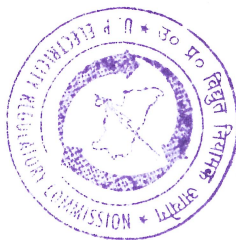
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13. This power being infirm in nature and was injected by Ghatampur TPS since synchronization of its Unit-1 on 04.11.2023 and the discussions on the terms and conditions of the supply were resolved only on 21.11.2024 and the SPPA has been entered between UPPCL & NUPPL on 29.11.2024, UPPCL could not have approached the Commission at an earlier date.
14. **Therefore, in view of the above, the Commission approves the PPA dated 29.11.2024 between the parties and disposes of the Petition accordingly.**

(Sanjay Kumar Singh)

Member



(Arvind Kumar)

Chairman

Place: Lucknow

Dated: 05.05.2025

