



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 2209 of 2025

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Section 86(1)(b) & 86(1)(e) of the Electricity Act, 2003 read with Regulation 15 of the UPERC (Conduct of Business Regulations) 2019, seeking approval of Request for Selection (RfS) and PPA, along with the deviations for Procurement of 110MW power from Grid connected Solar PV power projects to be installed inside Solar Park of 75MW-Kanpur Dehat and of 35MW-Kanpur Nagar sanctioned under "Solar Parks and Ultra Mega Solar Power Projects Scheme" of the Ministry of New and Renewable Energy, Govt. of India through Tariff Based Competitive Bidding (TBCB) Process in accordance with Ministry of Power "Guidelines for TBCB Process for procurement of power from grid connected Solar PV power projects".

AND

IN THE MATTER OF

1. U.P. New & Renewable Energy Development Agency (UPNEDA),

Vibhuti Khand, Gomti Nagar, Lucknow – 226010

2. Uttar Pradesh Power Corporation Ltd. (UPPCL),

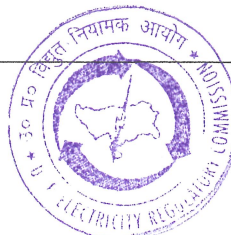
Shakti Bhawan 14 – Ashok Marg, Lucknow – 226001.

..... Petitioner(s)

FOLLOWING WERE PRESENT

1. Sh. Divyanshu Bhatt, Advocate, UPPCL
2. Sh. Shashwat Singh, Advocate, UPPCL
3. Sh. Deepak Raizada, CE-PPA, UPPCL (*Attendance not marked*)
4. Sh. Narendra Singh, SPO-II, UPNEDA
5. Ms. Namrata Kalra, Advisor, UPNEDA

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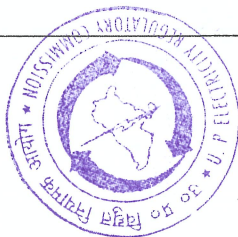
ORDER

(DATE OF HEARING: 20.05.2025)

1. The Petitioner(s) have filed instant Petition seeking approval of bidding documents (i.e., RfS & draft PPA) along with the deviations for procurement of 110 MW Solar PV power to be installed inside Solar Park (i.e., Kanpur Dehat & Kanpur Nagar) for the period of 25 years through TBCB process. The prayers of the Petitioner(s) are as follows:
 - a) Admit the instant Petition.
 - b) Approve the RfS and the PPA along with the proposed deviations.
 - c) Pass any other such orders that this Commission deems necessary and fit in order to meet the ends of justice and grant the aforementioned reliefs sought by the Petitioners.

Brief facts as stated in Petition:

2. The Petitioner(s) have mainly submitted the following:
 - a) Ministry of New and Renewable Energy (MNRE), Govt. of India has notified 'Development of Solar Parks and Ultra Mega Solar Power Projects' dated 12.12.2014, as amended subsequently in 2017 (*hereinafter referred to as MNRE Scheme*). Under the said scheme, MNRE, vide its communication dated 01.02.2024 addressed to the Energy and Additional Sources of Energy Department, Govt. of Uttar Pradesh, granted its in-principle approval for setting up of two Solar Power Parks, namely- 75MW Kanpur Dehat Solar Power Park in Kanpur Dehat (distt.) and 35MW Kanpur Nagar Solar Power Park in Kanpur Nagar (distt.).
 - b) As per the MNRE scheme, Solar Parks are to be developed in collaboration with the State Governments & their agencies. The Nodal Agency, on behalf of the Government of India would be Solar Energy Corporation of India Limited (SECI), to handle the funds to be made available through Central Financial Assistance and administer the scheme. The MNRE Scheme provides that:
 - (i) A Central Financial Assistance (CFA) @ Rs. 25 lakhs/park would be released by MNRE to SECI for DPR preparation of the Solar Park, conducting surveys etc.
 - (ii) Further, a CFA @ Rs 20 lakhs/MW or 30% of the project cost, including grid-connectivity cost, whichever is less, shall be made available by SECI to Solar Park



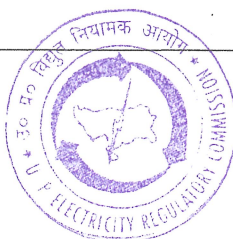


Implementing Agency (SPIA) or Solar Power Park Developer (SPPD) on achieving the milestones under the previous condition.

- c) This CFA is available to SPIA/SPPD for acquiring land and development of infrastructure including evacuation infrastructure, to provide the "plug and Play" facility to Solar Project Developer (SPD) selected through competitive bidding for installing Solar Power plant project inside the Solar Park on Build Own Operate and Maintain (BOOM) basis. Apart from CFA, SPIA/SPPD is allowed to develop a self-sustainable financial model in which part cost may be recovered as one-time Upfront Development Charge (UDC) and yearly O&M charges proposed to be taken from SPD.
- d) Lucknow Solar Power Development Corporation Ltd. (LSPDCL), a joint venture company between UPNEDA and SECI with an equity split of 50:50, has been incorporated under the Companies Act, 2013 in the month of July 2015 for developing Solar Power Parks in State of Uttar Pradesh. LSPDCL has been identified as SPIA/SPPD for the development of sanctioned 75MW Kanpur Dehat Solar Park and 35MW Kanpur Nagar Solar Park. LSPDCL qualifies to be the SPPD under Mode-8 of implementing arrangements of MNRE Scheme and both the Solar Parks have been sanctioned to be developed under Mode-8 in terms of the MNRE's communication dated 01.02.2024.
- e) LSPDCL, as SPPD, has successfully developed a scattered 365MW Solar Park sanctioned by MNRE at Prayagraj (50MW), Mirzapur (75MW), Jalaun (190MW) and Kanpur Dehat (50MW). The Solar PV Plant projects inside the said solar parks have been commissioned by SPD- selected through tariff based competitive bidding. UPPCL is the end procurer of entire 365MW power.
- f) For the development of 75MW Kanpur Dehat and 35MW Kanpur Nagar Solar Parks, 100% Government land on lease for 30 years @ Rs 1/Acre/Annum under Solar Energy Policy-2022 has been obtained by LSPDCL. Land lease deed between LSPDCL & UPNEDA for both the projects i.e., Kanpur Nagar and Kanpur Dehat have been executed on 17.8.2024 and 10.12.2024 respectively.
- g) Details of Solar Parks with proposed infrastructure progress is as follows:

Sl. No.	Name of Solar Park	Location	Status
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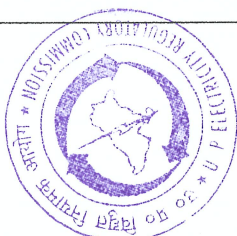
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1	75 MW. Kanpur Dehat	Village: Leharpur, Tehsil: Akbarpur	308 Acre land lease deed executed. Geo Tech survey, Soil testing investigation, Hydrology study completed and DPR approved by MNRE. Demarcation of land completed with installation of Pillar Posts. Fencing of demarcated land under progress. UPPTCL to construct the evacuation infrastructure on deposit basis. For Grid Connectivity technical feasibility from 220/132kV Rania s/s at 132 kV done.
2.	35 MW. Kanpur Nagar	Village: Katar, Tehsil: Ghatampur	165 Acre land lease deed executed. GERMI has completed Geo Tech survey, Soil testing investigation & Hydrology study and DPR approved by MNRE. Demarcation of land completed with installation of Pillar Posts. Fencing of demarcated land initiated. UPPTCL to construct the evacuation infrastructure on deposit basis. For Grid Connectivity technical feasibility from 132kV Jainpur substation at 132 kV done.

- h) In order to provide 'Plug and Play' facility to the selected SPDs in both Solar Power Parks, LSPDCL will provide the land on Right to Use basis for setting up the Solar Power Projects. LSPDCL shall also be responsible for providing power evacuation infrastructure, which will include Bay at substation and transmission line from power project to switchyard to Grid substation and other infrastructure like 'approach road' to the Solar Power Parks site. Pertinently, a scope matrix indicating roles and responsibilities of SPIA/ SPPD and SPD have been provided in Clause 40 of Section-6 (i.e., Other Provisions) of RFS.
- i) LSPDCL, will also execute "Land Use cum Implementation Support Agreement" with selected SPDs for providing facilities and maintenance services of these facilities. The selected SPD will be required to pay upfront one-time development charges of Rs. 13 lakh/MW for Kanpur Dehat Solar Park and Rs. 14 lakh/MW for Kanpur Nagar Solar Park. Details of Solar Park with complete power evacuation plan and costs payable by SPD are mentioned in Section-8 (i.e., Details of Solar Park) of RfS.
- j) UPPCL has given its consent through its communications dated 29.08.2023 & 14.02.2024 to procure the entire quantum of 110MW power (75 MW + 35 MW) from both Solar Parks being developed. On 08.05.2024, UPPTCL has also communicated the technical feasibility for evacuation of power from the two Solar Parks viz 22/132kV

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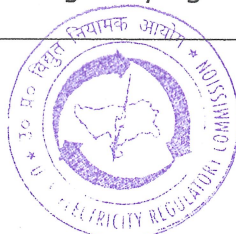
Ranaia s/s & 132/33kV Jainpur s/s. As per the said UPPTCL's communication dated 08.05.2024, evacuation of 35MW power from Kanpur Nagar could be carried out at 132kV level from Jainpur substation, and for 75MW power from Kanpur Dehat, it could be carried out at 132kV level from Rania substation.

- k) SPD for setting up Solar PV Power project will be selected through TBCB process in accordance with "Guidelines for TBCB process for procurement of power from grid connected Solar PV Power Projects" dated 28.07.2024 issued by Ministry of Power (MoP), as amended subsequently and the UPERC (Modalities of Tariff Determination) Regulations, 2023.
- l) As per clause 16 of the MoP Guidelines dated 28.07.2023, UPNEDA vide its communication dated 12.11.2024 approached Govt. of Uttar Pradesh, through the Energy Department, seeking its approval on deviations from the conditions prescribed in clause 5.3 and 5.4. The approval for the said proposed deviations was granted by the Govt. of Uttar Pradesh through the Joint Secretary, vide communication dated 23.12.2024. MoP, vide its amendment Guidelines dated 12.02.2025, has amended clause 16 wherein it is stated that any deviations from the guidelines are subject to the approval of the appropriate Commission. Accordingly, this Petition has been filed to seek approval from this Commission for the two deviations proposed as the amendment dated 12.02.2025 was notified prior to the promulgation of the Bidding documents.

Records of Proceedings:

3. During the hearing on 20.05.2025, Divyanshu Bhatt, Counsel of UPPCL submitted that instant Petition was filed for seeking approval of bidding documents for procurement of 110MW Solar PV Power from the Solar Park to be developed at Kanpur Dehat and Kanpur Nagar by LSPDCL. On specific query of the Commission regarding minimum CUF, Ms. Narmata Kalra, Advisor to UPNEDA, responded it to be 17%. Sh. Deepak Raizada on behalf of UPPCL, stated that considering SECI's bid as also in the recently approved 2GW Solar PV power procurement by the Commission, minimum CUF was kept as 17%. Ms. Kalra further added that as per section 6.6 of the MoP amended Guidelines dated 12.05.2025, additional penalty would be imposed upon, if SPD fails to maintain minimum CUF. Sh. Raizada stated lower CUF would ascertain that SPD was not likely to be penalised considering varying solar radiation in the State. He further

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stated that in terms of Article 4.4.1 of the PPA, SPD can revise their declared CUF after one year of plant commercial operation i.e., based on actual performance.

4. The Commission enquired about status of the Solar Park's infrastructure to which Ms. Kalra responded that land lease deed has been signed, land has been completely demarcated and the boundary fencing of the land was under progress. Connectivity Agreement between LSPDCL and UPPTCL would be executed shortly and construction of power evacuation/ transmission line from the Solar Park to the identified substation would be done by UPPTCL. Further, approach road to the Solar Park would be completed by LSPDCL. In response to the Commission's query about justification for the upfront development charges & annual O&M charges, Ms. Kalra responded that LSPDCL being a company under the Company Act, 2013 would require such charges for meeting its expenses towards the development of the Solar Park, power evacuation line, maintenance of approach road and other miscellaneous expenses. Regarding tariff, she stated that they were expecting a discovered tariff under Rs. 2.50 per unit. Sh. Deepak Raizada submitted that lowest discovered tariff of Solar PV power was Rs. 2.54 per unit in the recent bid of 2GW solar power.

Analysis & Decision

5. The Petitioner(s) by way of instant Petition are seeking approval of RfS & draft PPA for procurement of 110 MW Solar PV power from Solar Park (i.e., Kanpur Dehat:75MW & Kanpur Nagar:35MW) for the period of 25 years through competitive bidding route under section 63 of the Electricity Act, 2003. The details of the project are as follows:

Solar Park Name & its Capacity	Land Area (Acre)	Injection Point	Substation distance from Project
Kanpur Dehat, 75 MW	308	220/132kV Rania s/s	Approx. 19kM
Kanpur Nagar, 35 MW	164	132kV Jainpur s/s	Approx. 26kM

6. Salient features of instant bidding documents are as follows:
- Bidding Portal: www.bharat-electronictender.com
 - No Ceiling Tariff.
 - Proposed to award total capacity in each Solar Power Park to a single SPD.
 - Bidder may bid for one Project (75 MW or 35 MW) or both Projects.
 - For both Projects e-RA will be held separately and L1 bidder selected in each Project shall be issued a Letter of Award.

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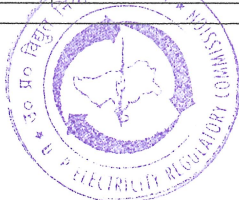


- vi) The selected SPDs will have to deposit Rs. 20 lakh/MW as PBG in favour of UPPCL.
- vii) PPA will be executed for 25 years.
- viii) The financial qualification criteria is to have Rs. 80 lakh/MW net worth and additionally, bidder will be required to demonstrate at least one of the following parameters in order to ascertain that the bidder has sufficient means to manage the fund requirement for the project:
- a) Rs. 34.40 lakh/MW minimum annual turnover of the quoted capacity during previous FY 2023-24 or as on the day at least 7 days prior to the bid submission deadline.
- b) Internal resource generation capability, in the form of PBDIT excluding other and exceptional income, for a minimum amount of Rs. 6.88 lakh/MW of the quoted capacity, in previous FY2023-24 or as on the day at least 7 days prior to the bid submission deadline.
- c) In-principal sanction letter from the lending institutions/banks of the Bidder, committing a Line of Credit for a minimum amount of Rs. 8.60 lakh/MW of the quoted capacity towards meeting the working capital requirement of the project quoted under this RfS.
- ix) Scheduled Commissioning and Supply Date for both projects shall be 24 months from the date of signing of PPA.
- x) Minimum capacity shall be 50% of the project capacity for acceptance of part commencement of supply.
- xi) As per latest MNRE OM dated 09.12.2024, bidders are required to use the solar PV modules and solar PV cells in the Projects as included in ALMM List-I (for Solar PV modules) and ALMM List-II (for Solar PV cells), valid as on the date of invoicing of such modules.

7. On 23.12.2024, Govt. of U.P. approved the following deviations from MoP Guidelines:

S. No.	SB dated 28.07.2023 along with amendments dated 17.11.2023 & 02.02.2024	Bid Documents (RfS & PPA)	Rationale/ Justification
1	Clause 5: Bid Structure Clause 5.3 of Guidelines a maximum of 50 percent of total capacity as specified in the RfS can be allocated to a single bidder	Minimum size of a package/project will be 75MW in Kanpur Dehat Solar Park and 35MW in Kanpur Nagar. This whole capacity in each solar Power Park will be	Both Solar Parks being of small capacity transmission infrastructure is planned without pooling station and

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		allocated to a single bidder. The Bidder may bid for both projects or any single project.	further plotting of land parcels in each park will lead to technically and non-commercially viable projects which may lead to lesser or no participation by prospective bidders.
2	<p>Clause 5.4 Tariff as the Bidding Parameter:</p> <p>The bidding evaluation parameter shall be the tariff per unit supply of solar power, fixed for the entire term of the PPA. The Procurer shall invite bids wherein the bidder shall quote the Tariff in Rs./kWh. The bidder shall be selected on the basis of least quoted Tariff. Subsequent to the e-reverse auction, the bidder (called the L1 bidder) quoting the least Tariff (called the L1 tariff) shall be allocated the quantum of power offered by him. The capacity allocation shall be on the basis of Bucket filling i.e. capacity quoted by L1 bidder at L1 rates shall be allocated first, then the capacity quoted by the next lowest bidder (called the L2 bidder) at the rates quoted by him (called the L2 rates) may be allocated and so on. However, the allocation will only be made to the bidders whose bid falls within a pre-defined "Range" from the L1 tariff, as stipulated in the RfS. Thus, after arranging the bidders in the ascending order of tariff, the Project capacities will be awarded only to those bidders whose final price bids are within a range of "L1+x%", in terms of INR/kWh; while the value of "x" generally be two (2) to five (5) and shall be fixed in the RfS.</p>	<p>The bidding evaluation parameter shall be tariff per unit supply of power, fixed for entire 25 years term of the PPA. The bidder will quote separate tariff in Rs. /kWh for both projects or any single project interested in bidding. The bidder shall be selected for each project on the basis of least quoted Tariff in each project. For e-reverse auction the bidders whose quoted tariff is within a range of L1+5% in terms of INR/kWh (where L1 will be the lowest tariff obtained in financial bid) in each project will be invited. Subsequent to separate e-reverse auction for each project, the bidder (called the L1 bidder) quoting the least tariff (called the L1 tariff) for each project shall be allocated the project capacity.</p>	<p>As per guideline bucket filling is not proposed as plotting in both RE/Solar Parks due to capacity of Parks being small is not being done. Also, transmission infrastructure in both solar Parks is planned without pooling station and further plotting of parcels will lead to technically and non-commercially viable project for prospective bidders resulting in lesser participation.</p>

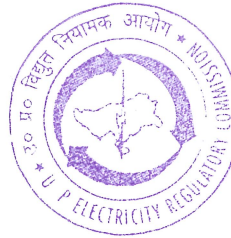
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8. In view of above, the Commission approves the bidding documents (i.e., RfS & draft PPA) along with the deviation sought for selection of Solar Project Developers under tariff based competitive bidding route for aggregate procurement of 110MW Solar PV based power from the Solar Park to be developed at Kanpur Dehat and Kanpur Nagar in the State. The Commission directs UPNEDA to constitute a Bid Evaluation Committee and prepare its analysis report. Further, UPNEDA is also directed to take prompt action in order to complete the bidding process and approach the Commission for PPA approvals in a timely manner.
9. The Petition stands disposed of in terms of above.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow
Dated: 06.06.2025

