



BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Petition No.1232/2017

PRESENT:

1. Hon'ble Sri Suresh Kumar Agarwal, Chairman

IN THE MATTER OF : Approval of Power Supply & Banking Agreement

Petitioners :

M/s Hindalco Industries Ltd.
Works Office-Renukoot, Sonabhadra,
Registered Office-Century Bhawan,
Dr. Annie Besant Road,
Mumbai

Respondent:

1. The Chairman, UP Power Corporation Limited.
7th Floor, Shakti Bhawan,
14 Ashok Marg, Lucknow
2. The Managing Director,
Purvanchal Vidyut Vitran Nigam Ltd.
Purvanchal Vidyut Bhawan,
P.O. Vidyut Nagar,
DLW,
Varanasi.
3. Chief Engineer (PPA),
UP Power Corporation Limited
14th Floor, Shakti Bhawan Ext.
Ashok Marg,
Lucknow

In the Presence of

1. Sri V.P. Srivastava, CE (PPA), UPPCL
2. Sri S.N. Jajoo, COO, Hindalco



3. Sri Lakshmi Shanker, Executive Engineer, PuVVNL, Varanasi
4. Sri S.K. Sinha, SE (PPA), UPPCL
5. Sri K. Prasad, EE (PPA), UPPCL
6. Sri R.P. Sharma, Jt. President, Hindalco
7. Sri Shahid Rizvi, Advocate, Hindalco
8. Sri I.J. Joshi, Advisor, Hindalco
9. Sri Ajit Kumar, AVP, Hindalco
10. Sri Kamdeo Raut, GM Legal, Hindalco
11. Sri Utkarsh Raghuvanshi, Hindalco

ORDER

(Date of hearing 19.12.2017)

M/s Hindalco Industries Ltd. has filed a Petition no.1232/2017 for approval of Power Supply and Banking Agreement dated 29.07.2017 which has been signed by UPPCL, PuVVNL and Hindalco Industries Limited. After the filing of the aforesaid agreement M/s Hindalco Industries Limited filed an application for incorporation and approval of certain deviations in some of the provisions of Power Supply and banking Agreement dated 29.7.2017.

2. UP Power Corporation Limited (UPPCL) has also filed an affidavit dated 24.08.2017 stating the salient features of the Power Supply and Banking Agreement filed by M/s Hindalco Industries Ltd. for approval.

3. The matter was listed for hearing on 23.10.2017. In the hearing Sri Shahid Rizvi, Advocate appearing on behalf of M/s Hindalco pleaded that the Power Supply & Banking Agreement should be approved with the deviations filed by M/s Hindalco. He stated that M/s Hindalco is one of the oldest and large industrial undertaking in the State of Uttar Pradesh. This company is having its own captive generation and since long the agreements with UPPCL for power supply and banking and in past also deviations were allowed to M/s Hindalco from the relevant regulations of the Commission but now UPPCL is insisting on an agreement strictly based on UPERC, CRE Regulations, 2014. He stated that M/s Hindalco is not interested in selling power of banked energy to UPPCL. The sole objective of banking the power is to utilize the banked power at the time of emergency or break down in its captive power plant. Sri Shahid Rizvi, Advocate, also submitted that if they are subjected to restrictions on carry forward of the banked energy and drawl of energy during the peak hours they will have to bear exorbitant cost by taking supply from UPPCL at normal tariff.

4. The Commission wanted to know the views of UPPCL on the deviations sought by M/s Hindalco. The Chief Engineer (PPA), UPPCL stated that the agreement that they have signed



with M/s Hindalco is as per the approval of the Board of Directors and before signing this agreement M/s Hindalco has made the same request to UPPCL but the Board of Directors decided to sign the Power Supply and Banking Agreement strictly as per the UPERC CRE Regulations 2014. Therefore, UPPCL is not agreeable to any variations in the signed PPA.

5. The Commission has examined all the issues and is of the view that required provisions have been made in the UPERC CRE Regulations, 2014 to accommodate the emergencies of the captive generators but carry forward of the banked energy beyond a certain time period may pose a problem to the licensee particularly at times when the demand of power is high. The Commission after framing the Regulations does not want to interfere with them on case to case basis. However, when the new Regulations are framed after every 5 years the affected parties can make their submissions which could be considered appropriately at that time. Now the Commission will frame the new regulations for the period 2019-2024. M/s Hindalco can raise the issue which they want to be covered by the new Regulations and the commission can at that time suitably take a view on such representation while finalizing the Regulations.

6. The Commission hereby approves the Power Supply and Banking Agreement dated 29.7.2017 which has been duly signed by both the parties. The request for deviations is rejected.

7. With the above directions the Petition No.1232/2017 stands disposed of.

(Suresh Kumar Agarwal)
Chairman

Place: Lucknow
Dated:26.12.2017