



Uttar Pradesh Electricity Regulatory Commission

Kisan Mandi Bhawan, II Floor, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org

Ref: UPERC/D(G)/ 2006-
Date: 11th July, 2006

General Manager
Power Purchase Agreement Directorate
U.P.Power Corporation Ltd.,
14th Floor, Shakti Bhawan Extension,
14-Ashok Marg,
Lucknow.

Sub: Your letter No.478/GM/PPA/D-3/Co-gen1 dated 27.5.06

Dear Sir,

In the subject letter, it is informed that M/s Kesar Enterprises has offered UPPCL a sale of 16 MW during season and 21 MW during off season using wood dust and coal mixed with bagasse as fuel. UPPCL has sought clarification, whether wood dust and coal are allowed in biomass/bagasse co-generation as support fuel. In this connection, I am directed to inform you as below:

- (i) that the Commission has determined tariff for co-generation which use bagasse & biomass as fuel.
- (ii) As per section 2 (12) of the Electricity Act,2003, "*Co-generation means a process which simultaneously produces two or more forms or useful energy (including electricity)*" and according to Govt. of India Resolution No. A-40/95-IPC-I dated 6.11.96 "*a co-generation facility is defined as one which simultaneously produces two or more form of useful energy such as electric power and steam, electric power and shaft (mechanical) power etc. Co-generation facilities, due to their ability to utilize the available energy in more than one form, use significantly less fuel input to produce electricity, steam, shaft power or other forms of energy than would be needed to produce them separately. Thus by achieving higher efficiencies, co-generation facilities can make significant contribution to energy conservation*"

According to these definitions, co-generation is a process capable of producing more than two forms of energy simultaneously by utilizing the available energy from its own process contributing to energy conservation and exclude means of energy which is

not available within the process. Therefore, co-generation facility is not permitted to use fuel other than biomass/bagasse in generation of electricity.

(Sangeeta Verma)
Secretary

Copy forwarded to the following for information and necessary action:

1. Managing Director, Madhyanchal Vdiyut Vitaran Nigam Ltd., Prag Narain Road, Lucknow.
2. Managing Director, Poorvanchal Vdiyut Vitaran Nigam Ltd., 132 KV S/s, Bhikari Vidyut Nagar, Varanasi.
3. Managing Director, Paschimanchal Vdiyut Vitaran Nigam Ltd., Victoria Park, Meerut.
4. Managing Director, Dakshanchal Vdiyut Vitaran Nigam Ltd., Vidyut Bhawan, Gailana Road, Agra
5. Managing Director, Kanpur Electric Supply Co. Ltd., KESA House, Kanpur.
6. Chief Executive Officer, Noida Power Company Ltd., Commercial Complex, H-Block, Alpha-II Sector, Greater Noida City.
7. Director, NEDA, Vibhuti Khand, Gomtinagar, Lucknow.
8. Specialis(IT),UPERC for posting the clarification on the web site.

CC:
Chairman
Member(PNP)
Member (RDG)