THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2392 of 2026

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Section 86 (1)(b) and (e), Section 62 and other applicable provisions of the Electricity Act, 2003 read with Regulation 6 of the UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2024, seeking approval for procurement of power by UPPCL from the 20 MW floating solar plant proposed to be established by Coal India Limited on cost plus basis at Chilwa Tal, Gorakhpur, Uttar Pradesh and seeking necessary relaxations under Regulation 6(ii) of the UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2024 and Regulation 4 read with Regulation 9 of UPERC (Modalities of Tariff Determination) Regulation, 2023.

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),**
   14th Floor, Shakti Bhawan Extension, 14-Ashok Marg, Lucknow – 226001

...Petitioner(s)

VERSUS

1. **Coal India Limited (CIL),**
   Coal Bhawan, Premise No. 04 MAR, Plot No-AF-III,
   Action Area-1A, New Town, Rajarhat, Kolkata, West Bengal-700156 ...Respondent

FOLLOWING WERE PRESENT

1. Sh. Shashwat Singh, Advocate, UPNEDA & UPPCL
2. Sh. Prakhar Shukla, Advocate, UPNEDA & UPPCL
3. Sh. Manish Dwivedi, CE (PPA), UPPCL
4. Sh. Vikas Gupta, EE (PPA), UPPCL
5. Sh. Narendra Singh, SPO-II, UPNEDA
6. Sh. Subhajyoti Jana, Sr. Manager, CIL

ORDER

(DATE OF HEARING: 16.06.2026)

1. The Petitioner(s) have filed this Petition for approval of procurement of power by UPPCL from the 20 MW floating Solar PV power plant to be established by Respondent, CIL at Chilwa Tal, Gorakhpur, Uttar Pradesh. The prayers of the Petitioner(s) are as follows:

   a) Admit the instant Petition.

   b) Issue necessary Direction(s) and/or Order(s) in terms of Regulation 6 (ii) of the UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2024, and permit UPPCL to execute the requisite Power Purchase Agreement with Coal India Limited for procurement of power from the proposed 20 MW floating solar power plant at Chilwa Tal, Gorakhpur, Uttar Pradesh.

   c) Issue necessary Order(s) and/or Direction(s) under Regulation 9 of the UPERC (Modalities of Tariff Determination) Regulation, 2023 to relax the provision under Regulation 4 of the Modalities of Tariff Regulations, 2023, and allow UPPCL to execute the requisite Power Purchase Agreement with Coal India Limited for procurement of power from the proposed 20 MW floating solar power plant at Chilwa Tal, Gorakhpur, Uttar Pradesh.

   d) Permit UPPCL to submit the Power Purchase Agreement for approval of this Commission after the tariff has been approved by the CERC.

   e) Pass any such Order(s) or directions that the Commission may deem fit.

Background of the case

2. The Petitioner(s) have mainly submitted following in the Petition:

a) Coal India Limited (herein after referred to as CIL) is a Government of India undertaking under the administrative control of the Ministry of Coal and is the largest coal-producing company in the world. Incorporated in 1975 and headquartered in Kolkata, it operates through its various subsidiaries across coal-bearing regions of India and is primarily engaged in the production and supply of coal to core sectors such as power, steel, and cement. CIL possesses approximately 196.97 MW of Solar capacity across various subsidiaries, resulting in the generation of 120.72 MU for internal consumption. CIL has an ambitious plan of installing 3 GW of renewable energy by 2027-28 and 9.5 GW by 2029-30 pan India.

b) The Government of Uttar Pradesh (GoUP) issued Solar Energy Policy-2022 to promote solar capacity through parks, distributed and rooftop systems with support mechanisms to consumers, business and developers. Further, GoUP has envisaged development of Gorakhpur as a 'solar city' as defined under Clause 7.2(b), (c), & (d). MNRE defines solar city as achieving at least 10% reduction in conventional energy projected demand via renewable and efficiency measures within five years.

c) The GoUP through its Additional Chief Secretary presented guidelines bearing letter no. 1465/87-2022-755/2022 dated 08.12.2022 with respect to the Solar Energy Policy, 2022 which envisages accelerating the deployment of solar power by means of implementation of utility-scale solar parks and projects, distributed Solar systems and rooftop solar PV projects. These targets will be achieved by way of new mechanisms that will support consumers, business and developers alike.

d) Annual energy consumption for the year 2021-22 for Gorakhpur city was 806.384 MU (Sold Unit) and 561.17 MW (Sanction Load). Taking the growth of average 8.80% per annum on year-to-year basis in the Sanctioned Load from 2021-22 to 2025-26, and the growth of average 5.98% per annum on year-to-year basis in the Sanctioned Load from 2026-27 to 2030-31, the forecasted and actual annual Sold unlit and Sanction load of EUDC-Gorakhpur is as follows:

S. No.	Financial Year	Sold Units (MU)	YoY Growth in Sold Units (%)	Sanction Load (MW)	YoY Growth in Sanction Load (%)	Remarks
1.	2021-22	806.384	-	561.170	-	Actual
2.	2022-23	943.982	17.06%	584.312	4.12%	Actual
3.	2023-24	1006.942	6.67%	683.863	17.04%	Actual
4.	2024-25	1125.729	11.80%	738.622	8.01%	Actual
5.	2025-26	1123.015	-0.24%	783.036	6.01%	Actual
6.	2026-27	1189.980	5.96%	829.840	5.98%	Forecasted
7.	2027-28	1260.950	5.96%	879.430	5.98%	Forecasted
8.	2028-29	1336.140	5.96%	932.000	5.98%	Forecasted
9.	2029-30	1415.820	5.96%	987.700	5.98%	Forecasted
10.	2030-31	1500.250	5.96%	1046.730	5.98%	Forecasted

e) The GoUP has undertaken the establishment of a 20 MW floating Solar power project at Chilwa Tal, Gorakhpur and decided to entrust the project development and execution to CIL. The Annual energy demand of Gorakhpur for the year 2024–25 was approx. 1218 MUs. Accordingly, for development of Gorakhpur as a solar city 121.8 MUs is required to be generated through RE sources. Proposed floating solar plant at Gorakhpur is expected to generate approx. 38.56 MUs. The said generation is envisaged to substantially cater to the energy requirements of the city and further advance its development as a 'Solar City'.

f) The Project is expected to meet 3.24% energy demand as forecasted for the year FY 2026-27, whereas as per the projected energy demand in the next year i.e., FY 2027-28 it is about 3.06%. Further, approximately 2.82% of the energy demand from 2026-27 to 2030-31 will be met from the project.

g) The Energy generated from the Project shall be procured by UPPCL, as conveyed to the GoUP, vide its communication bearing no. 1/28834/2025/PPA dated 25.10.2025. CIL being a company under the Ministry of Coal and a Central Public Sector Enterprise, the applicable tariff for the project shall be determined by the CERC under Section 79 of the Electricity Act, 2003. The GoUP, vide its letter dated 27.03.2026, accorded its approval for nomination of CIL for establishment of the Project wherein power generated will be procured by UPPCL subject to approval obtained from the Commission.

h) For establishment of the 20 MW floating solar power project at Chilwa Tal, an area of approximately 80 acres was required to be identified and allocated. In this regard, UPNEDA requested the District Magistrate, Gorakhpur, to undertake identification and allocation of the requisite land. Pursuant thereto, the District Magistrate, Gorakhpur, vide communication dated 18.08.2025, submitted a report identifying suitable land for the proposed project. Total area of approximately 80.73 acres has been identified. The identified land comprises:

(i) 11.4181 hectares (28.20 acres) of submerged land situated in Village Sonbarsa and Siktour Tappa Marachi Chandaur, Tehsil Sadar, under the ownership of the Tourism Department.

(ii) 9.124 hectares (22.53 acres) of submerged land situated in Village Jungle Beni Madhav-1, under the ownership of Hindustan Urvarak & Rasayan Limited; and

(iii) approximately 30 acres of land situated at Chilwa Tal, Gorakhpur, under the ownership of Mahayogi Gorakhnath University, Gorakhpur.

i) Details regarding the land, pertaining to 11.4181 hectares of land belonging to the Tourism Department, were provided by the District Magistrate, Gorakhpur, vide communication dated 17.12.2025. Thereafter, vide communication dated 10.01.2026, UPNEDA requested the Tourism Department to clarify whether the aforesaid land would be made available free of cost or on payment basis. In response, the Tourism Department, vide its letter dated 05.02.2026, granted permission for use of the said 11.4181 hectares of land free of cost for establishment of the floating solar power project.

j) Regarding the land situated at Village Jungle Beni Madhav-1, Hindustan Urvarak & Rasayan Limited (HURL) informed on 22.12.2025 that identified submerged land falls within the land leased to it by Fertilizer Corporation of India Limited (FCIL). HURL is a joint venture company comprising, inter alia, Coal India Limited, NTPC Limited, Indian Oil Corporation Limited, Fertilizer Corporation of India Limited, and Hindustan Fertilizer Corporation Limited. Accordingly, the land under the ownership/control of HURL, Gorakhpur, is proposed to be made available for the project through mutual consent between the concerned stakeholders.

k) As far as an area of approximately 30 acres of bhumidhari land belonging to Mahayogi Gorakhnath University, forming part of the Gorakhnath Hospital premises is concerned the Registrar of Mahayogi Gorakhnath University, on 15.12.2025, granted

No Objection Certificate (NOC) for use of the said land. Since the aforesaid land is privately owned, necessary steps shall be undertaken by CIL to secure the same through mutual agreement with the stakeholders concerned.

l) Regulation 4 of the UPERC (Modalities of Tariff) Regulations, 2023 mandate tariff discovery through competitive bidding for long/medium term procurement (excluding Regulation 3 and HP-DAM) with prior approval of the Commission, and any deviation from TBCB guidelines requires the Commission's approval. However, UPPCL vide its letter dated 25.10.2025, stated that alternate procurement would require deviation, which was endorsed by the GoUP, vide its letter dated 27.03.2026, directing Petitioners to approach the Commission for relaxation from the applicable regulatory provisions.

m) UPNEDA, as Nodal Authority under the UP Solar Policy-2022, and UPPCL, requested the Commission to relax the provision related to procurement of power only through competitive bidding and allow UPPCL to execute the requisite PPA with CIL for 20 MW floating solar project at Chilwa Tal, Gorakhpur. It is stated that since GoUP has already approved the project in favour of CIL, competitive bidding may delay development of Gorakhpur as a solar city; hence necessary relaxation may kindly be granted.

Records of Proceedings

3. During the hearing, Sh. Shashwat Singh, Counsel for the Petitioner(s), submitted that present matter pertains to seeking approval for procurement of power by UPPCL from the 20 MW floating solar plant to be established by CIL on cost plus basis at Chilwa Tal, Gorakhpur. He further submitted that necessary relaxations under Power to remove difficulty may be granted under the UPERC (Modalities of Tariff Determination) Regulation, 2023 for the same. He also argued that the Petitioner's endeavour herein is to meet its load demand from Renewable energy as well as developing 'Gorakhpur' as a 'Solar City' in terms of U.P. Solar Policy-2022.

4. Sh. Singh further submitted that land for the proposed project has been identified and necessary negotiations are under way with the landowners i.e., HURL and Mahayogi Gorakhnath University. Sh. Subhajyoti Jana, on behalf of CIL, submitted that Tourism department is providing land for free of any cost however, for other two landowners

there are some considerations. The Commission observed that the project developer had to freeze its cost component before approaching the CERC for tariff determination.

5. On a specific query of the Commission about the expected tariff, Sh. Subhajyoti Jana responded that tentative tariff would be around Rs. 3.50 per kWh due to factors such as compliance requirements of ALMM modules. The Commission observed that the proposed tariff appears to be high considering that present ground mounted Solar PV projects tariff is around Rs. 2.50- 2.70 per kWh. Sh. Subhajyoti Jana submitted that efforts would be made to optimise the actual tariff and bring it as close to market rates as possible as they are in discussion with the fund lender to get the debt at a minimum possible interest rate.

Commission's View

6. The Regulatory provisions for power procurement by Distribution Licensees including UPPCL are as follows:

a) Regulation 6 (II) of UPERC CRE Regulations, 2024, provides as follows:

> "***6. Tariff for Supply of Electricity to Distribution Licensee-***
>
> *II. For power procurement by Distribution Licensee from new Captive Generating Plants or new Renewable Energy based plants, provision of UPERC (Modalities of Tariff Determination) Regulations, 2023, shall apply."*

b) *Regulation 3, and 4 of the UPERC (Modalities of Tariff Determination) Regulations, 2023, provides as follows:*

> "***3. Power Procurement under Section 62 of the Act:-***
>
> *3.1 All existing power generating projects for which tariff is currently being determined in accordance with Regulated Tariff Mechanism (RTM) under Section 62 of the Act, including those whose PPA(s) have been approved by the Commission for RTM, shall be grandfathered and accordingly these projects will continue to be covered under RTM framework and their tariffs will be determined under Section 62 for the remainder of the PPA period or life of the plant, whichever is earlier.*
>
> *3.2 Expansion of existing state owned and controlled power generating projects will be allowed under Section 62 and their tariffs shall be determined based on norms specified in the UPERC (Terms and Conditions of Generation Tariff) Regulations, as amended from time to time.*
>
> *Provided that in case of expansion of generating capacity by private developers, the tariffs for the incremental generating capacity would be determined in accordance with RTM framework under Section 62. However,*

such expansion under RTM framework would be restricted up to the quantum of power approved under their existing PPA with the distribution licensee(s) in the state.

3.3 Power produced from all Waste-to-Energy plants set up as per approved PPA with the distribution licensee in the State.

3.4 Tariff of all Hydro Power Plants including Pump Hydro Power Plants, for which PPA has been approved by the Commission, shall be determined in accordance with RTM framework under Section 62.

4. Power Procurement under Section 63 of the Act: –

Tariff for all power procurement under long term, medium term not covered in Regulation 3 and HP-DAM (High Price Day Ahead Market) shall be discovered through competitive bidding route with prior approval of the Commission for the requirement of such capacity to be bid in pursuance to Section 86 (1)(b) of the Act. Further, any deviation from TBCB guidelines shall require prior approval of the Commission.

7. The Commission notes that, the Government of Uttar Pradesh, vide its letter dated 27.03.2026, accorded its approval to Coal India Limited for establishment of 20 MW Floating Solar Power Project and land of approximately 80 Acre has been identified for this purpose, acquisition of which is under progress. The Government of Uttar Pradesh has decided to develop Gorakhpur as a 'Solar City' in terms of the Uttar Pradesh Solar Energy Policy- 2022. Regarding Solar city, sub clause under clause 7.2 of Uttar Pradesh Solar Energy Policy, 2022 is relevant to be reproduced as below:

> *"b) A Solar City is defined as a city where minimum of 10% reduction in projected total demand of conventional energy at the end of five years is achieved from installation of renewable energy systems and through energy efficiency measures. Detailed project report will be prepared for each solar city which will include installation of solar rooftop, Solar high mast, Solar Street light, solar tree and solarization of water pumping stations, STP and other load centres of the city.*
>
> *c) Thirteen lakh fifty thousand residential houses will be covered with solar rooftop in Solar City during the operative period of policy.*
>
> *d) Ayodhya city will be developed as a model solar city under the Solar City programme. After assessing its success, sixteen Municipal Corporations of the State and Noida City will be developed as solar cities."*

8. Further, Uttar Pradesh Solar Energy Policy-2022 also envisages promotion of floating Solar power projects in the State with the intention that power generated from such floating solar PV projects would be procured by Discoms. The relevant extract in this regard stipulated in Clause 9.3 as stated below:

*"9.3 Solar power projects set up on **floating** /reservoir /canal top or any water body:*

Setting up of large floating solar power projects on canals/reservoirs or any water body will be promoted in the state. The project will be set up for sale of power to DISCOMs or for sale of power to third party. For sale of power to DISCOM allocation of Solar Projects will be through competitive bidding as per Ministry of New and Renewable Energy (MNRE), Government of India guidelines."

9. The Commission has traversed the documents and has reached to a conclusion that a relaxation from the regulation has to be granted in only contextual reference, where context demands the relaxation in absence of any viable and feasible alternative within the realm of regulations. But before granting the relaxation, it needs to be examined that whether the Commission has the power to relax its regulations viz. UPERC (Captive and Renewable Energy Generating Plants) Regulations 2024 and of UPERC (Modalities of Tariff Determination) Regulations 2023 and if it has the requisite power then what will be the yardstick for such a relaxation as relaxation of regulation cannot be arbitrary and on the caprice of the Commission. In this context, Regulation 20 of the UPERC (Captive and Renewable Energy Generating Plants) Regulations 2024 and Regulation 9 of the UPERC (Modalities of Tariff Determination) Regulations 2023 need to be reproduced to demonstrate that the Commission has bestowed upon it such a power through its regulations.

"20. Power to Relax –
The Commission, for reasons to be recorded in writing, may relax the provisions of these regulations on its own motion or on an application made before it by any interested party.

"9. Power to Relax: –
The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected, may relax any of the provisions of these regulations on its own motion or on an application made before it by the affected party."

10. It is abundantly clear from the above that the Commission has the inherent power to relax any provision of these regulations on its own or on an application made by an interested party. However, relaxation has to pass the rigor of rationality, objectivity and fairness. This rigor must be determined on the following touchstone-

a) The broader objective of the relaxation.

b) The relaxation must be legitimate.

c) The Relaxation must be necessary in absence of viable alternative measures.

The broader objective of the relaxation -

11. The Commission finds that the installation of 20 MW Solar PV power project in Gorakhpur city is in line with broader objective of transition from conventional to renewable energy sources and the mandate given under Uttar Pradesh Solar Energy Policy 2022 to develop Gorakhpur as a model Solar city. Assessment of its success will result in further expansion of this program. Solar Policy provides for a targeted approach in solar cities for conversion of domestic consumers into prosumers for bringing about reduction in dependance on conventional energy. Thus, setting up of this project seems to be an automatic integration with grand scheme of development and the mandate given under the Solar Energy Policy.

Relaxation must be legitimate

12. While examining this issue, what needs to be examined is the application of Section 62 of Electricity Act 2003 for the determination of tariff in case of a generating station supplying power to the distribution licensee despite there being the mandate of National Tariff Policy, which states that the competitive bid route under Section 63 has to be predominant route for power procurement. In this context, two orders of Hon'ble APTEL and a recent order of Hon'ble Supreme Court merit consideration. First and foremost, para number 21 of the order of Hon'ble APTEL in Appeal no. 88 of 2015 in the matter of Noida Power Company Ltd is reproduced below-

> *"21. The points which arose for consideration before this Tribunal inter alia were whether the compliance with Competitive Bidding Process as envisaged in Clause 5.1 of the National Tariff Policy is mandatory for Judgment in Appeal No. 41 of 2018 59 procurement of power by a distribution company and whether Section 63 of the Electricity Act is the exception to Section 62 and the guidelines issued by the Central Government will operate only when the tariff is being determined by the Competitive Bidding Process. This Tribunal observed that there are two routes and options provided under the Electricity Act: (a) tariff determination under Section 62(1)(a) by the Appropriate Commission in terms of Section 79 and Section 86 of the Electricity Act and (b) tariff discovery in terms of the Competitive Bidding Process in accordance with the Guidelines*

issued by the Government of India which shall be binding on the Appropriate Commission under Section 63 of the Electricity Act. This Tribunal considered Section, 63 of the Electricity Act and Clause 5.1 of the National Tariff Policy (which provides that the power procurement for future should be through a transparent Competitive Bidding Process using Guidelines issued by MoP on 19.1.2005 and also considered clarificatory circular dated 28.8.2006 issued by MoP and held that Section 63 is optional route for procurement of power by a distribution licensee through Competitive Bidding Process and in case the same is followed, the Appropriate Commission is required to adopt the said tariff. However, after referring to relevant judgments of the Supreme Court, this Tribunal held that the power under Section 62(1)(a) and Section 62(1)(b) conferred on the State Commission for determination of tariff through negotiated route cannot in any manner be restricted or whittled down by way of a policy document or a subordinate legislation or notification issued by the Government/Executive and any rules or executive instructions or notifications which are contrary to any provisions of the tariff statute shall be read down as ultra vires of the parent statute. This Tribunal rejected the contention that tariff determination under Section 62(1)(a) without adopting Competitive Bidding Process will render Clause 5.1 of the National Tariff Policy redundant as the distribution licensees in future will procure power from the generating companies through the negotiated route. This Tribunal observed that the said submission cannot be accepted as it is always open to the State Commission to direct the distribution licensee to carry out power procurement through Competitive Bidding Process only in case where the rates under the negotiated agreement are high. This Tribunal Judgment in Appeal No. 41 of 2018 60 clarified that the State Commissions have been given discretionary powers either to choose Section 62, 62(1)(a) to give approval to the PPA or to direct the distribution licensee to resort to the Competitive Bidding Process as per Clause 5.1 of the National Tariff Policy read with Section 63 of the Electricity Act."

Similarly, para number 62 of the order of Hon'ble APTEL in Appeal no. 41 of 2018 is also reproduced for the purposes -

> *"Therefore, it is well settled that National Tariff Policy does not in any manner affect the jurisdiction of the State Commissions to determine the tariff of a generating company selling power to the distribution licensee in terms of Section 62 of the Act"*

Further, in Civil Appeal No. 1933 of 2022 Hon'ble Supreme Court, in the matter of Tata Power Company Transmission Ltd vs MERC and ors, observes as follows under para number 74, which is reproduced below –

"...There is nothing in Sections 62 or 63 that could lead us to interpret that Section 63 is the dominant route for determination of tariff. Both the provisions provide alternative modalities through which tariff can be determined. The non-obstante clause in Section 63 must be read in the context of Sections 61 and 62. Section 62 bestows the Commission with wide discretion to determine tariff. Section 63 seeks to curtail this discretion where a bidding process for tariff determination has already been conducted. Section 63 contemplates that in such situations where the tariff has been determined through the bidding process, the Commission cannot by falling back on the discretion provided under Section 62 negate the tariff determined through bidding..."

13. Accordingly, if the Commission grants a relaxation for commissioning of 20 MW floating Solar PV power plant in Gorakhpur under Regulated Tariff Mechanism framework, i.e. under Section 62, by way of "Power to Relax" provisions, as provided at Regulation 20 of the UPERC (Captive and Renewable Energy Generating Plants) Regulations 2024 and Regulation 9 of the UPERC (Modalities of Tariff Determination) Regulations 2023, the upshot of relaxation will be an exercise would be squarely covered under the legal dispensation, as can be witnessed from above orders of Hon'ble Supreme Court and Hon'ble APTEL, and would be serving a laudable and broader objective.

Relaxation necessary in absence of viable alternative

14. The relaxation in the twin regulations viz. "UPERC CRE Regulations 2024, and "Modalities of Tariff Determination Regulations, 2023", needs to be carved out on account of following factors –

a) Uttar Pradesh Solar Energy Policy 2022 targets developing 16 Municipal Corporations which include Gorakhpur as a Solar City and
b) Possibility of finding an 80 Acre water body in a city like Gorakhpur is like finding a needle in a haystack and if the project is awarded under competitive bidding route and there is little likelihood of private players investing in this project and
c) Out of the identified 80 Acre of land, Tourism department has already agreed to provide the land for free of cost while HURL being a subsidiary of the Project Developer- CIL may provide the land at a nominal rate and Mahayogi Gorakhnath University, being a philanthropical, altruistic and public-spirited institution, may provide the land for nominal consideration in public interest. Thus, the land at optimal cost may help in reducing the project cost as well as its tariff. Such

opportunity might not be possible for private players in competitive bidding process. And

d) Earlier, floating Solar PV project of 150MW at Rihand reservoir was awarded under competitive bidding process which did not fructify on account of various impediments.

e) Coal India Limited has done the feasibility study, so significant amount of time will be saved, if feasibility has already been done by a player in such onerous conditions/circumstances.

15. It is amply clear from the above that section 62 is the only viable and feasible option for setting up of 20 MW floating Solar PV plant in Gorakhpur, as adoption of competitive bid route is highly unlikely to succeed in the above-mentioned conditions. It can also result in significant cost saving through cost plus approach as the Tourism Department Government of Uttar Pradesh has already made available the land at no cost while with the other two institutions may also negotiate generously being either a public sector organization or public spirited organization of attaining the larger public good in a broader perspective.

16. It is noteworthy to highlight that proposed floating Solar PV project is a demonstration project in the State where the water body of the Chilwa Tal will be utilized without disturbing its ecology thereby helping in water conservation as well in power generation at the same time. Floating Solar PV projects are at very nascent stage in the Country and hence its successful commissioning/operationalization will set an example in the State for development of such type of projects in future.

17. Thus, having determined that the relaxation in the aforesaid regulations is within the cannons of statutory framework as well as clear presence of "Power to Relax" provisions in both CRE Regulations, 2024 and Modalities of Tariff Determination Regulations, 2023, the Commission went ahead and examined the relaxation on the three touchstones, as laid down in Order dated 12.01.2024 in Petition No. 2023 of 2023 of this Commission, as provided below:

a. Broader objective of the relaxation.
b. Relaxation must be legitimate.
c. Relaxation necessary in absence of viable alternative.

Subsequent to examination on the above three yardsticks, the Commission is satisfied that the best mechanism for setting up and commissioning of 20 MW floating Solar PV power project at Chilwa Tal in Gorakhpur city, in the given situation, would be cost plus approach under Section 62.

18. **The Commission, therefore, allows the development and commissioning of 20 MW floating Solar PV Power Project at Gorakhpur city on cost plus basis after relaxing the relevant provisions of CRE Regulations, 2024 and Modalities of Tariff Determination Regulations, 2023, tariff of which shall be determined by the CERC under Section 79(1)(a) of the Electricity Act, 2003. It also permits UPPCL to execute Power Purchase Agreement with Coal India Limited and submit it for approval of this Commission after the tariff has been approved by the CERC.**

The Petition stands disposed of in terms of above.

Sanjay

(Sanjay Kumar Singh)
Member

(Arvind Kumar)
Chairman

Place: Lucknow
Dated: 17.06.2026