



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

**LUCKNOW**

**Petition No. 2419 of 2026**

**QUORUM**

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

Hon'ble Shri Griesh Kumar Vaish, Member (Law)

**IN THE MATTER OF**

Petition under Section 63 read with Section 86(1) (b) of the Electricity Act, 2003 read with Regulation 4 of the UPERC (Modalities of Tariff Determination) Regulations, 2023 and Clause 4 of the Guidelines for long term Procurement of Electricity from Thermal Power Stations set up on Design, Build, Finance, Own and Operate (DBFOO) basis and sourcing fuel as provided under the Model Bidding Documents including allocation of coal under Revised SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) Policy 2025, seeking prior approval of this Hon'ble Commission for procurement of 100 MW thermal power on a long-term basis through Tariff-Based Competitive Bidding process, and seeking approval of the proposed deviation from the aforesaid Guidelines.

**AND**

**IN THE MATTER OF**

**Noida Power Company Limited (NPCL),**

Plot No. ESS, Knowledge Park-IV, Greater Noida – 201310

(Through its Authorized Representative)

..... **Petitioner**

**THE FOLLOWING WERE PRESENT**

1. Ms. Divya Chaturvedi, Advocate, Khaitan & Co. for Petitioner
2. Ms. Srishti Rai, Advocate, Khaitan & Co. for Petitioner
3. Shri Sanket Srivastava, Head (Power Management), NPCL
4. Shri Utkarsh Pandey, Assistant Manager, NPCL





5. Shri Gaurav Anand, Head, Legal, NPCL
6. Shri Neeraj Singh Gautam, C.R.O, NPCL
7. Shri Ankur Datt, Resident Officer, NPCL

**ORDER**

**(DATE OF HEARING: 03.09.2026)**

1. The Petitioner, NPCL has filed the present Petition under Section 63 read with Section 86(1)(b) of the Electricity Act, 2003 read with Regulation 4 of the Uttar Pradesh Electricity Regulatory Commission (Modalities of Tariff Determination) Regulations, 2023, and Clause 4 of the Guidelines for long term Procurement of Electricity from Thermal Power Stations set up on Design, Build, Finance, Own and Operate (DBFOO) basis and sourcing fuel as provided under the Model Bidding Documents including allocation of coal under B(I), B(III) and B(IV) of the SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) Policy, seeking approval for procurement of 100 MW thermal power on a long-term basis through Tariff-Based Competitive Bidding process, and seeking approval of the proposed deviation from the Model Bidding Documents.
2. The Petitioner has prayed the following:
  - a) Approve the procurement of 100 MW coal-based thermal power on a long-term basis, i.e., for a period of 15 (fifteen) years through TBCB process;
  - b) Approve the proposed deviations from the Model Bidding Documents - DBFOO, as set out in the consolidated statement annexed with the instant Petition, as per Clause 4 of the Thermal Guidelines as well as Regulation 4 of the Tariff Regulations;
  - c) Approve the bid documents, including draft Request for Qualification, draft Request for Proposal, and the draft Power Supply Agreement;
  - d) Grant the Petitioner liberty to place on record such further and additional documents, information, and submissions as may be necessary, with the permission of this Commission; and
  - e) Pass any other order(s) as this Commission may deem fit in the facts and circumstances of the case.





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**Brief facts as stated in Petition:**

3. The Petitioner has mainly submitted following in the Petition:

Long-term/ medium-term tie-ups of NPCL for supply of power from FY 2028-29 onwards are detailed out below:

**Long-Term Arrangements:**

- i. 171 MW Round-the-Clock ("RTC") power at Ex-Generator's bus from M/s Dhariwal Infrastructure Limited - approximately 158 MW RTC will be available at NPCL bus.
- ii. 100 MW Firm and Dispatchable Renewable Energy ("FDRE") power at Inter-State Transmission System ("ISTS") periphery from M/s SJVN Limited - approximately 70 MW RTC will be available at NPCL bus [expected Scheduled Commissioning Date: - FY 2026-27).
- iii. 300 MW Wind-Solar Hybrid ("WSH") power at ISTS periphery from M/s Deshraj Solar Energy Power Limited - approximately 136 MW RTC will be available at NPCL bus [expected Scheduled Commissioning Date: - FY 2027-28).
- iv. 25 MW Solar Power at Ex-Generator's bus from M/s Adani Solar Energy Chitrakoot One Limited - approximately 13-14 MW will be available during day hours at NPCL bus.
- v. 25 MW Solar Power at Ex-Generator's bus from M/s Tata Power Renewable Energy Limited approximately 13-14 MW will be available during day hours at NPCL bus.
- vi. 10 MW Wind Power at Ex-Generator's bus from M/s PTC India Limited - approximately 6-7 MW RTC will be available at NPCL bus.

**Medium-Term Arrangements:**

- i. 95 MW coal-based RTC power at Ex-Generator's bus from M/s Jindal India Thermal Power Limited - approximately 88 MW RTC will be available at NPCL bus (completion in March 2029).





**A. Justification for Procurement of 100 MW coal-based thermal power on a long- term basis, i.e., for a period of 15 (fifteen) years through TBCB process**

- a) The Central Electricity Authority (CEA) has conducted a long-term demand forecast in March 2024 for the licensed area of the Petitioner to ensure reliability of power supply in the Petitioner's licensed area, i.e., Greater Noida. The energy and peak demand projection by CEA are as below:

**Table 1: Energy (MU) and Peak Demand (MW) Projections by CEA**

| Particulars                       | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| CEA's Energy Projections (MU)     | 4,647   | 5,209   | 5,820   | 6,508   | 7,228   | 7,961   | 8,684   |
| Year on Year Growth (%)           | 14%     | 12%     | 12%     | 12%     | 11%     | 10%     | 9%      |
| CEA's Peak Demand Projection (MW) | 864     | 973     | 1,093   | 1,228   | 1,371   | 1,517   | 1,663   |
| Year on Year Growth (%)           | 15%     | 13%     | 12%     | 12%     | 12%     | 11%     | 10%     |

- b) Whereas, during FY 2025-26, NPCL recorded a drawl of 4,327 MU (8.1% increase over FY 2024-25) as against the CEA's forecast of 14% growth (4,647 MU in FY 2025-26). Further, in the current year, FY 2026-27, the Petitioner has observed a demand growth of 8% in Q1 of FY 2026-27 over Q1 of FY 2025-26. Based on this trend, the Petitioner has projected a drawl of 4,704 MU for FY 2026-27 (i.e. growth of 8.7%) as against the CEA's projection of 5,209 MU (i.e. growth of 12%) over FY 2025-26.
- c) Accordingly, from FY 2027-28 onwards, the demand has been projected by applying the CEA's year-wise growth rates on the estimated demand of FY 2026-27. Based on these demand projections by the Petitioner, the deficit arising out of the existing tie-ups is as below:

**Table 2: Energy Projections by NPCL vis-à-vis the deficit in existing scenario**

| Particulars                          | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Petitioner's Energy Projections (MU) | 5,275   | 5,898   | 6,551   | 7,215   | 7,870   |
| Existing tie-ups (MU)                | 4,430   | 3,761   | 3,103   | 3,103   | 3,103   |
| Deficit (%)                          | 16%     | 36%     | 53%     | 57%     | 61%     |

**Table 3: Peak Projection by NPCL vis-à-vis the deficit in existing scenario**

| Particulars                         | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Petitioner's Peak Projections (MW)* | 633     | 708     | 786     | 866     | 944     |
| Existing peak tie-ups (MW)          | 474     | 436     | 361     | 361     | 361     |
| Deficit (%)                         | 25%     | 38%     | 54%     | 58%     | 62%     |

\*Peak is considered as average of demand recorded during 00-01 Hrs. and 19-24 Hrs. in summer season and 06-09 Hrs. and 18-21 Hrs. in winter season.

- d) Post consideration of the existing contracts (operational and upcoming) of the Petitioner, the year-wise capacity addition suggested by CEA under the outcome of the Resource Adequacy Planning, is set out below:

**Table 4: Year-wise capacity addition suggested by CEA under the outcome of Resource Adequacy Planning**

| Year    | COAL | WIND | RTC/FDRE | SOLAR | BESS (2 Hour) |
|---------|------|------|----------|-------|---------------|
| 2024/25 | 0    | 95   | 100      | 0     | 0             |
| 2025/26 | 0    | 95   | 40       | 100   | 50            |
| 2026/27 | 50   | 95   | 70       | 50    | 150           |
| 2027/28 | 50   | 95   | 70       | 50    | 250           |
| 2028/29 | 50   | 95   | 70       | 50    | 350           |
| 2029/30 | 50   | 95   | 50       | 50    | 450           |
| 2030/31 | 50   | 95   | 0        | 50    | 550           |
| 2031/32 | 50   | 95   | 0        | 50    | 650           |
| 2032/33 | 100  | 95   | 50       | 100   | 750           |
| 2033/34 | 100  | 95   | 50       | 100   | 850           |

- e) Further, based on the year-wise capacity addition suggested by CEA vis-vis the capacity already contracted by the Petitioner, the year-wise capacities yet to be contracted by the Petitioner is tabulated below:

**Table 5: Year-wise capacities yet to be contracted in MW**

| Year     | COAL | WIND | RTC/FDRE | SOLAR | BESS (2 Hour) |
|----------|------|------|----------|-------|---------------|
| 2024/25  | 0    | -95  | -100     | 0     | 0             |
| 2025/26  | 0    | -95  | -40      | -100  | -50           |
| 2026/27  | -50  | -95  | -70      | -50   | -100          |
| 2027/28* | -50  | 105  | -70      | 50    | -100          |
| 2028/29  | -50  | -95  | -70      | -50   | -100          |
| 2029/30  | -50  | -95  | -50      | -50   | -100          |
| 2030/31  | -50  | -95  | 0        | -50   | -100          |
| 2031/32  | -50  | -95  | 0        | -50   | -100          |
| 2032/33  | -100 | -95  | -50      | -100  | -100          |
| 2033/34  | -100 | -95  | -50      | -100  | -100          |
| Total    | -500 | -750 | -500     | -500  | -850          |





\*Contracted 300 MW WSH power (comprising 200 MW wind and 100 MW solar) from FY 2027-28 onwards for 25 years

- f) Based on the tables as mentioned above, cumulative source wise requirement up to FY 2028-29 is 350 MW of RE-RTC power, 275 MW of wind power, 150 MW of solar power, and 150 MW of coal-based power. Accordingly, the Petitioner had approached the Commission through Petition No. 2309 of 2025 seeking approval for the procurement of 300 MW of WSH power with the commencement of supply from FY 2028-29 onwards. The Commission vide its Order dated 24.06.2026 directed the Petitioner to procure long-term power from either coal-based sources or Firm Renewable Energy on a RTC basis.
- g) In compliance with the directions issued by the Commission in the Order dated 24.06.2026 and considering the deficit as mentioned and the expected load curve, the Petitioner intends to procure 100 MW thermal power from FY 2028-29 on long-term basis for a period of 15 years. With the proposed procurement of 100 MW thermal power, the following would be the deficit situation considering the estimated demand projections:

**Table 6: Energy Projection vis-a-vis the deficit in existing + proposed scenario**

| Particulars                          | 2027-28    | 2028-29    | 2029-30    | 2030-31    | 2031-32    |
|--------------------------------------|------------|------------|------------|------------|------------|
| Petitioner's Energy Projections (MU) | 5,275      | 5,898      | 6,551      | 7,215      | 7,870      |
| Existing tie-ups (MU)                | 4,430      | 3,761      | 3,103      | 3,103      | 3,103      |
| Proposed tie-ups (MU) from Thermal*  | -          | 692        | 692        | 692        | 692        |
| Total tie-ups (MU)                   | 4,430      | 4,453      | 3,795      | 3,795      | 3,795      |
| <b>Deficit (%)</b>                   | <b>16%</b> | <b>24%</b> | <b>42%</b> | <b>47%</b> | <b>52%</b> |

\*Thermal supply is currently expected to commence in Q1 of FY 2028-29

**Table 7: Peak Projection vis-a-vis the deficit in existing + proposed scenario**

| Particulars                                      | 2027-28    | 2028-29    | 2029-30    | 2030-31    | 2031-32    |
|--------------------------------------------------|------------|------------|------------|------------|------------|
| Petitioner's Peak Projections (MW) <sup>\$</sup> | 633        | 708        | 786        | 866        | 944        |
| Existing peak tie-ups (MW)                       | 474        | 436        | 361        | 361        | 361        |
| Proposed peak tie-ups (MW) from Thermal*         | 0          | 79         | 79         | 79         | 79         |
| Total Peak tie-ups (MW)                          | 474        | 515        | 440        | 440        | 440        |
| <b>Deficit (%)</b>                               | <b>25%</b> | <b>27%</b> | <b>44%</b> | <b>49%</b> | <b>53%</b> |

\*Thermal supply is currently expected to commence in Q1 of FY 2028-29

<sup>\$</sup>Peak is considered as average of demand recorded during 00-01 Hrs. and 19-24 Hrs. in summer season and 06-09 Hrs. and 18-21 Hrs. in winter season.





- h) The Petitioner, in compliance with the directions issued by the Commission vide order dated 24.06.2026, has also filed a separate Petition No. 2418/2026 before the Commission seeking approval for the procurement of 300 MW of RE-RTC power as well. The projected energy deficit in the existing as well as proposed scenarios are set out below:

**Table 8: Energy Projection vis-a-vis the deficit in existing + proposed**

| Particulars                          | 2027-28    | 2028-29    | 2029-30    | 2030-31    | 2031-32    |
|--------------------------------------|------------|------------|------------|------------|------------|
| Petitioner's Energy Projections (MU) | 5,275      | 5,898      | 6,551      | 7,215      | 7,870      |
| Existing tie-ups (MU)                | 4,430      | 3,761      | 3,103      | 3,103      | 3,103      |
| Proposed tie-ups (MU) from RE-RTC*   | 0          | 429        | 1,847      | 1,847      | 1,847      |
| Proposed tie-ups (MU) from Thermal   | 0          | 692        | 692        | 692        | 692        |
| Total tie-ups (MU)                   | 4,430      | 4,882      | 5,642      | 5,642      | 5,642      |
| <b>Deficit (%)</b>                   | <b>16%</b> | <b>17%</b> | <b>14%</b> | <b>22%</b> | <b>28%</b> |

\*RE-RTC supply is currently expected to commence in Q4 of FY 2028-29.

**Table 9: Peak Projection vis-a-vis the deficit in existing + proposed**

| Particulars                          | 2027-28    | 2028-29    | 2029-30    | 2030-31    | 2031-32    |
|--------------------------------------|------------|------------|------------|------------|------------|
| Petitioner's Peak Projections (MW)\$ | 633        | 708        | 786        | 866        | 944        |
| Existing peak tie-ups (MW)           | 474        | 436        | 361        | 361        | 361        |
| Proposed tie-ups (MU) from RE-RTC*   | 0          | 63         | 251        | 251        | 251        |
| Proposed tie-ups (MU) from Thermal   | 0          | 79         | 79         | 79         | 79         |
| Total Peak tie-ups (MW)              | 474        | 578        | 691        | 691        | 691        |
| <b>Deficit (%)</b>                   | <b>25%</b> | <b>18%</b> | <b>12%</b> | <b>20%</b> | <b>27%</b> |

\*RE-RTC supply is currently expected to commence in Q4 of FY 2028-29.

\$Peak is considered as average of demand recorded during 00-01 Hrs. and 19-24 Hrs. in summer season and 06-09 Hrs. and 18-21 Hrs. in winter season.

- i) The Petitioner recorded an annual peak demand of 848 MW in FY 2025-26, such peak occurred only for one 15-minute time block during the entire year, representing approximately 0.0029% of the total time blocks. Further, the demand was at or above 750 MW for only 131-time blocks, representing approximately 0.37% of the total time blocks, while the 99<sup>th</sup> percentile demand was approximately 750 MW, i.e., about 88% of the annual peak demand. Thus, the annual peak demand represents an exceptional and highly infrequent occurrence and may not provide an appropriate basis for planning the entire long-term capacity portfolio.

**Table 10: The relevant distribution of demand**





| Demand Range 1 | Demand Range 2 | No. of time blocks - Occurrence | % Times | Percentile |
|----------------|----------------|---------------------------------|---------|------------|
|                | >848           | 1                               | 0.0029% | 100.00%    |
| >=825          | <848           | 4                               | 0.0100% | 99.99%     |
| >=800          | <825           | 30                              | 0.0900% | 99.90%     |
| >=775          | <800           | 60                              | 0.1700% | 99.73%     |
| >=750          | <775           | 131                             | 0.3700% | 99.36%     |
| >=725          | <750           | 314                             | 0.9000% | 98.46%     |
| >=700          | <725           | 648                             | 1.8500% | 96.61%     |
| >=675          | <700           | 1,104                           | 3.1500% | 93.46%     |
| >=650          | <675           | 1,619                           | 4.6200% | 88.84%     |

- j) The Petitioner has submitted that its demand profile and capacity requirement vary significantly between the summer and winter seasons. While additional capacity is required to address the substantial deficit during the summer peak hours (00-01 & 19-24), tying up the entire capacity requirement based solely on the annual maximum demand could result in significant surplus capacity, particularly peak demand 06-09 & 18-21 Hrs. during the winter months. Accordingly, the Petitioner has undertaken capacity planning with reference to its actual and projected seasonal and time-of-day demand profile and has structured the proposed procurement and tender conditions to address the requirement during the critical peak hours, while ensuring optimal capacity utilization and avoiding unnecessary long-term capacity tie-up.

#### **B. Justification for Deviation from the Thermal Guidelines and the MBDs**

- a) The present procurement is to be undertaken from existing operational coal-based thermal generating stations, as opposed to new generating stations proposed to be developed on a DBFOO basis as contemplated under the Thermal Guidelines & the MBDs. The Petitioner proposes to invite bids from prospective bidder(s) whose generating stations have already achieved Commercial Operation Date on/or after 01.01.2011 and or before the last date of bid submission, for supply of power commencing from 01.04.2028 for a period of 15 years to ensure timely availability of reliable RTC thermal power from FY 2028-29 onwards.
- b) Since the present procurement secure supply of Contracted Capacity from 01.04.2028 i.e., a timeline that cannot be met through a greenfield project ordinarily requiring 4 to 5 years for construction and commissioning. Therefore,





eligibility criterion and the accompanying provisions corresponding to the provisions of the Modal Bidding Documents inter-alia governing construction and monitoring thereof, Financial Close, and other Conditions Precedent premised on a project yet to be constructed have been omitted.

- c) Further, the threshold of 01.01.2011 as mentioned above has been fixed with reference to the normative operational life of 35 (thirty-five) years prescribed for coal-based thermal generating stations under the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2024, notified by the Commission. Applying this normative life, a project achieving Commercial Operation Date on or after 01.01.2011 would remain within its operational life at least until 2046, thereby comfortably subsuming the entire proposed Contract Period of 15 years commencing 01.04.2028, together with any permitted extension.
- d) Further, the Petitioner has proposed that the normative availability requirement be reduced from 90% to 85%, considering that the Fuel Supply Agreements (FSAs) of Coal India Limited and its subsidiaries generally provide for a coal supply commitment of up to 85% of the Annual Contracted Quantity. Requiring a generator to commit 90% availability when its assured coal supply is limited to 85% could create a mismatch between fuel availability and the contractual supply obligation. Accordingly, prescribing 85% normative availability provides better alignment between the availability obligation and the assured fuel-supply framework while also avoiding unnecessary tariff loading on account of additional market-purchased coal.
- e) Further, the Petitioner has submitted that Article 23 of the Model PSA provides for multiple payment security mechanisms, including a Default Escrow Account, Deed of Hypothecation and Letter of Credit. However, after the formulation of the Model PSA, the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 have strengthened the framework for ensuring payment discipline by distribution licensees, including through prescribed consequences in the event of payment default. The PRAAPTI portal also facilitates monitoring of outstanding dues payable by distribution licensees to generating companies. In view of the above, and with the objective of avoiding multiplicity of payment security mechanisms and the associated costs, the Petitioner proposes to seek a deviation from the Model PSA by dispensing with the requirement of a Default





Escrow Account and Deed of Hypothecation as payment security mechanisms in favour of the Supplier/Bidder. The Petitioner shall, however, provide an unconditional, revolving and irrevocable Letter of Credit as the payment security mechanism in accordance with the relevant provisions of the PSA.

- f) In view of above, the Petitioner is seeking approval for the proposed deviations from the Thermal Guidelines and the MBDs and has made certain modifications to the relevant clauses of the MBDs to align the bidding framework and contractual provisions with requirements applicable to existing & operational thermal power projects.
- g) The Petitioner has further submitted that the said bid documents, i.e., draft RfQ, RfP and PSA have been prepared in accordance with the framework prescribed under the Thermal Guidelines and the MBDs, except for the specific deviations identified and proposed by the Petitioner.

#### **Record of Proceedings:**

- 4. The matter was listed for hearing on 03.09.2026. During the hearing, the learned counsel for NPCL, submitted that present matter pertains to approval of 100 MW coal based thermal power procurement on a long-term period i.e., for 15 years under competitive bidding route and for approval of the proposed deviations from the Model Bidding Documents. It was submitted that proposed major deviations are as follows: (i) The projects who have achieved COD on/or after 01.01.2011 and or before the last date of bid submission are allowed to participate achieved COD (ii) The normative availability requirement be reduced from 90% to 85% (iii) Dispensation with the requirement of a Default Escrow Account and Deed of Hypothecation as payment security mechanisms in favour of the Supplier/Bidder. The Petitioner shall, however, provide an unconditional, revolving and irrevocable Letter of Credit as the payment security mechanism.
- 5. Further, the learned counsel for NPCL submitted that transmission related provisions have been aligned with General Network Access (GNA) regime and that the bids would be evaluated based on the landed tariff at NPCL's periphery.
- 6. The Commission sought clarification regarding provisions relating to construction of plant. In response the counsel submitted that the provisions relating to the





construction and commissioning of the plant, as well as those relating to Open Capacity/Merchant Capacity had been omitted as they were inapplicable to existing operated Thermal Power Plants.

7. Upon hearing the submissions, the Commission decided to reserve the order, subject to any further queries that may arise upon examination of the petition and document annexed there to. The Commission further directed that in meantime, in order to timely complete the bidding process, NPCL may upload/issue the tender documents and, if required, may upload/issue the corrigendum upon issuance of the final order.

### **Commission's Analysis**

8. The salient features of the proposed bidding documents are as follows:

- |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) <b>Quantum</b>                      | 100 MW                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| b) <b>Period/Term</b>                  | 15 (fifteen) years commencing from 01.04.2028 extendable to a maximum period of 5 (five) years upon mutual consent of parties.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| c) <b>Delivery Point</b>               | <ul style="list-style-type: none"><li>• <b>For inter-state projects:</b> Inter-State Transmission System i.e. CTU Periphery of seller where the Power Station of the Supplier is delivering power either through ISTS connectivity, or through a dedicated transmission line or through the Intra state transmission system of the state in which it is located.</li><li>• <b>For intra-state projects:</b> Any point in the Intra-State grid where the electricity is delivered by the Supplier i.e. STU Periphery of seller in U.P.</li></ul> |
| d) <b>Sourcing of Coal</b>             | Bidders will source linkage coal from Coal India Limited/Singareni Collieries Company Limited or their subsidiaries as per Revised SHAKTI Policy, 2025.                                                                                                                                                                                                                                                                                                                                                                                         |
| e) <b>Project Specific Conditions:</b> | <ul style="list-style-type: none"><li>• The projects who have achieved COD as on the date of bid submission only are allowed to participate so that power supply can be ensured from 01.04.2028.</li></ul>                                                                                                                                                                                                                                                                                                                                      |





- For ensuring reliability of power supply, it is proposed that the bidders should have achieved minimum annual availability of 85% in last 3 (three) years preceding the bid submission date.
- The payment of General Network Access ("GNA") charges liability is on procurers as per the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (as amended). In this regard, necessary modifications have been made to align the PSA with the GNA Regulations.
- Tariff will be quoted by bidders at the Delivery Point, however, selection of successful bidders will be done by computing the landed rate at NPCL Periphery by adding transmission charges & losses of Central Transmission Utility ("CTU") and State Transmission Utility ("STU").

9. The Commission, in the following paragraphs, has dealt with the deviations sought from the Modal Bidding Documents and approval of power procurement.

**I. Procurement of 100 MW of long-term coal-based thermal power through TBCB**

10. The Commission, in its order dated 24.06.2026 in Petition No. 2309 of 2025, directed the Petitioner to procure long term power from either coal or firm RE power on RTC basis. The relevant direction from the order is as below:

*"38. In view of above facts, the distribution licensee i.e., NPCL is directed to contract power quantum on long term basis from resources which are either Coal (since licensee is less intended for hydro) or firm RE power on RTC basis. However, NPCL is allowed to procure other RE power on medium-term basis as per the requirement that suits its load demand. Accordingly, the present proposal of hybrid power procurement is not accepted for long-term and NPCL management can accordingly think through its power procurement plan."*





11.NPCL in its Petition has relied upon the *Central Electricity Authority (CEA) Resource Adequacy Plan for NPCL from FY 2024-25 to FY 2033-34* to justify its proposal for the procurement of 100 MW thermal power capacity. The year-wise capacity addition suggested by CEA under the outcome of the Resource Adequacy Planning, is set out below:

**Table 11: Year-wise capacity addition suggested by CEA under the outcome of the Resource Adequacy Planning**

| Year    | COAL | WIND | RTC/FDRE | SOLAR | BESS (2 Hour)(Cuml) |
|---------|------|------|----------|-------|---------------------|
| 2024/25 | 0    | 95   | 100      | 0     | 0                   |
| 2025/26 | 0    | 95   | 40       | 100   | 50                  |
| 2026/27 | 50   | 95   | 70       | 50    | 150                 |
| 2027/28 | 50   | 95   | 70       | 50    | 250                 |
| 2028/29 | 50   | 95   | 70       | 50    | 350                 |
| 2029/30 | 50   | 95   | 50       | 50    | 450                 |
| 2030/31 | 50   | 95   | 0        | 50    | 550                 |
| 2031/32 | 50   | 95   | 0        | 50    | 650                 |
| 2032/33 | 100  | 95   | 50       | 100   | 750                 |
| 2033/34 | 100  | 95   | 50       | 100   | 850                 |
| Total   | 500  | 950  | 500      | 600   | 850                 |

12.The Commission observed that the cumulative source-wise capacity addition suggested by CEA till FY 2033-34 are 500 MW for Coal, 950MW for Wind, 500MW for RTC/FDRE, 600MW for Solar and 850MW for BESS. However, it is found that out of the source-wise recommended capacity, NPCL has only tied up long-term capacity of 300 MW hybrid (comprising 200 MW wind and 100 MW solar), whose SCOD is FY 2026-27. Therefore, the Commission vide its above referred order dated 24.06.2026 directed the Petitioner to procure long term power from coal based sources or the firm renewable energy on RTC basis.

Accordingly, the Petitioner has filed two petitions, one for procuring 100 MW Thermal Power from FY 2028-29 on long-term basis for a period of 15 years and second for procurement of 300 MW RE-RTC power.

13.In view of above and from perusal of the documents placed on record, the Commission approves the procurement of 100 MW coal-based thermal power on a long-term basis, i.e., for a period of 15 (fifteen) years through TBCB process.

## **II. Approval of Bidding documents and deviations sought therein**





14. In line with the UPERC (Modalities of Tariff) Regulations, 2023, NPCL has prepared the document of bidding on the basis of guidelines for long term procurement of electricity from thermal power stations on Design-Build-Finance-Own-Operate (DBFOO) basis and sourcing of fuel as provided under Model Bidding Documents (MBDs)/Standard Bidding Documents (SBDs) including allocation of coal under B(I), B(III) and B(IV) of Shakti Scheme.
15. Further, Clause 4 of Guidelines dated 06.03.2019 issued by Ministry of Power (MOP) for long term Procurement of Electricity from Thermal Power Stations set up on DBFOO basis and sourcing fuel as provided under Model Bidding Documents including allocation of coal under B (I), B(III) and B(IV) of SHAKTI policy (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India), stipulates that any deviations from MBDs shall be made only with prior approval of Appropriate Commission.
16. We now examine the deviations sought by the Petitioner in the subsequent paragraphs.

**A. Procurement from Existing Operational Thermal Generating Stations instead of DBFOO Projects**

17. The Commission has noted the submissions made by the Petitioner regarding the proposed deviation from the Model Bidding Guidelines for long term procurement of electricity from Thermal Power Stations and the associated Model Bidding Documents. The Commission duly understands that the Model Bidding Documents for long term power procurement primarily envisages procurement of power from generating stations established on Design, Build, Finance, Own and Operate (DBFOO) basis, however, the Petitioner has proposed to procure power from existing operational thermal generating stations, which have already achieved Commercial Operation Date (COD).
18. The Commission also observes that Clause 4 of the Thermal Guidelines, as above referred, expressly permit deviation from the Model Bidding Documents with the prior approval of the Appropriate Commission. Therefore, the applicable regulatory framework itself contemplates circumstances wherein modifications may be required and such modifications may subsequently be approved or disapproved based on specific requirements of the procurer.





19. The Commission further notes that the Petitioner has demonstrated a requirement for procurement of reliable thermal capacity commencing from FY 2028-29 for addressing the projected demand-supply deficit and for complying with the observations made by this Commission in its Order dated 24.06.2026 in Petition No. 2309 of 2025, wherein NPCL was directed to contract long-term firm capacity from coal-based or firm renewable energy sources.
20. The Commission is also aware of that development and commissioning of a new greenfield thermal generating station generally require a substantial gestation period involving land acquisition, environmental clearances, financial closure, construction and commissioning activities. In the present case, the intended commencement of supply is from 01.04.2028, therefore, permitting participation by existing operational generating stations is a reasonable and pragmatic modification to ensure availability of power within the required timeframe.
21. The Commission further notes that the proposed procurement shall be undertaken through a transparent tariff-based competitive bidding process under Section 63 of the Electricity Act, 2003. The proposed modification does not dispense with competitive bidding and does not mandate or appear to confer any undue advantage upon any individual generator. Rather, the deviation seeks to widen the universe of eligible operational generators capable of supplying power within the stipulated timeline.
22. **Accordingly, the Commission finds merit in the Petitioner's proposal to permit participation by existing operational thermal generating stations in the present bidding process, subject to the condition that the bidding process remains transparent, competitive and in conformity with the provisions of Section 63 of the Electricity Act, 2003.**

**B. Generating Stations that have already achieved Commercial Operation Date (COD) on/or after 01.01.2011**

23. The Commission observes that the Petitioner proposes to invite bids from prospective bidder(s) whose generating stations have already achieved COD on/or after 01.01.2011 and or before the last date of bid submission, for supply of power commencing from 01.04.2028 for a period of 15 years. The proposed procurement is intended to ensure timely availability of reliable RTC thermal power from FY





2028-29 onwards for period of 15 years, considering that plant having achieved COD on/or after on 01.01.2011 would remain within its operational life at least until 2046.

**24. Accordingly, the Commission finds merit in the Petitioner's proposal to permit participation by existing operational thermal generating stations in the present bidding process, subject to the condition that the bidding process remains transparent, competitive and in conformity with the provisions of Section 63 of the Electricity Act, 2003.**

**C. Reduction of Normative Availability Requirement from 90% to 85%**

25. The Commission has carefully examined the Petitioner's proposal seeking reduction of the normative availability requirement from 90% to 85%.

26. The Petitioner has submitted that linkage coal supplied under Fuel Supply Agreements executed with Coal India Limited and its subsidiaries is generally restricted to approximately 85% of Annual Contracted Quantity (ACQ). According to the Petitioner, requiring a bidder to maintain availability of 90% despite assured fuel availability of only 85% may compel generators to procure additional coal from alternate market sources, thereby inflating the quoted tariff and ultimately burdening consumers.

27. The Commission notes that fuel availability constitutes a significant determinant of achievable plant availability. Regulatory authorities have repeatedly recognized the need for alignment between contractual performance obligations and practical fuel supply conditions. At the same time, the Commission is conscious that availability norms in competitive procurement frameworks are intended to ensure reliability of contracted supply and should not be diluted to an extent that compromises supply security.

28. The Commission, having considered the matter in totality, finds that the proposed availability norm of 85% corresponds broadly with the assured coal linkage availability contemplated under prevailing FSA arrangements. The Commission is therefore of the view that prescribing 85% availability appropriately balances consumer interest, supply reliability and realistic operating conditions.





**29. Accordingly, the Commission approves the proposed availability requirement of 85%, subject to the successful bidder continuing to comply with all operational performance obligations stipulated in the Power Supply Agreement.**

**D. Dispensation of Default Escrow Account and Deed of Hypothecation**

30. The Commission has noted the Petitioner's proposal to dispense with the requirement of maintaining a Default Escrow Account and Deed of Hypothecation while retaining an unconditional, revolving and irrevocable Letter of Credit as the primary payment security mechanism.

31. The Commission notes that subsequent to issuance of the Model Power Supply Agreement, the regulatory landscape governing payment security has undergone significant changes. The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 have introduced a comprehensive statutory framework aimed at improving payment discipline by distribution licensees. Further, the PRAAPTI portal enables continuous monitoring of payment obligations and outstanding dues.

32. The Commission also notes that maintenance of multiple and overlapping payment security mechanisms may impose avoidable administrative and financial costs, which may ultimately be passed on to consumers.

33. The Commission is of the view that a revolving and irrevocable Letter of Credit continues to remain an established and enforceable payment security instrument. In view of the statutory safeguards presently available under the Electricity Rules, 2022, the Commission does not find it necessary to insist upon additional payment security instruments in the nature of Default Escrow Account and Deed of Hypothecation in the present case.

**34. Accordingly, the Commission approves the proposed deviation subject to maintenance of the Letter of Credit in accordance with the provisions of the PSA and applicable legal framework.**

**E. Other Bid Document Modifications Consequential to Procurement from Existing Stations**





35. The Commission notes that various consequential amendments have been proposed in the draft RfQ, RfP and PSA, including removal of provisions relating to project development, construction monitoring, financial closure, milestone achievement and other conditions applicable only to greenfield DBFOO projects.
36. The Commission observes that once procurement is proposed from operational generating stations, retaining provisions governing development-stage risks would serve no practical purpose. Such modifications are merely consequential and facilitate implementation of the approved procurement structure.
37. The Commission has reviewed the proposed modifications and finds these to be consistent with the overall objective of adapting the Model Bidding Documents to an operational-project procurement framework, while preserving transparency, competition and consumer interest.
- 38. Accordingly, the Commission approves the consequential modifications, subject to incorporation of all applicable statutory, regulatory and bidding guideline requirements that are not specifically modified by this Order.**

#### **Commission's Decision**

39. The details of deviations submitted by the Petitioner in RFQ, RFP and PSA and rulings of the Commission are summarized in the following Table:

| S. No. | Issue Concerned                                                                             | Provision in bidding document submitted before the Commission                                                                                                                                                                                                                                                                                           | Rulings of the Commission                                                                                                                                                                                                                                                   |
|--------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Procurement from Existing Operational Thermal Generating Stations instead of DBFOO Projects | <b>Additional Clause:</b><br><br>.....and supply thereof as per the terms and conditions specified in the Bidding Document.<br><br><b><i>Utility invites bids from prospective bidder(s) whose Projects have achieved COD on or before the last date of bid submission and already commercially operationalized on or after 01st January, 2011.</i></b> | <b>Approved.</b> This eligibility condition has been proposed considering the Petitioner's immediate requirement for power commencing from 01.04.2028, whereas the development and commissioning of a new thermal power project generally requires approximately 4-5 years. |





| S. No.                    | Issue Concerned                                                                                              | Provision in bidding document submitted before the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Rulings of the Commission                                                                                                                                         |                                                                                  |                                  |            |           |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------|------------|-----------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.                        | <b>Generating Stations that have already achieved Commercial Operation Date (COD) on/or after 01.01.2011</b> | <p>Brief particulars of the Project are as follows:</p> <table><tr><td>Capacity Required (in MW)</td><td>Minimum Capacity not less than 50% (fifty per cent) of Capacity Required (in MW)</td><td>Period when supply must commence</td></tr><tr><td><b>100</b></td><td><b>50</b></td><td><b>01<sup>st</sup> April, 2028</b></td></tr></table> <p>The Utility intends to pre-qualify suitable Applicants (the "Bidders") who will be eligible for participation in the Bid Stage, for awarding the Project through an open competitive bidding process in accordance with the procedure set out herein.</p> <p>All Applicants shall indicate the particulars of their power station in the form specified at Annex-VI of Appendix-I and at National e-Bidding Portal ("DEEP Portal") developed by PFC Consulting Ltd. Applicants may Bid for the capacity specified in Clause 1.1.1, or a part thereof, not being less than <b><u>50% (fifty per cent)</u></b> of such capacity. Provided, however, that the Utility may, in its sole discretion, accept only those Bids which match the lowest Bid.</p> | Capacity Required (in MW)                                                                                                                                         | Minimum Capacity not less than 50% (fifty per cent) of Capacity Required (in MW) | Period when supply must commence | <b>100</b> | <b>50</b> | <b>01<sup>st</sup> April, 2028</b> | <p><b>Approved.</b> Only projects that have achieved COD on or after 01.01.2011 shall be eligible to participate in the present bidding process. A project commissioned on or after 01.01.2011 would ordinarily remain within its useful life until at least 2046.</p> <p>The proposed procurement period is 15 years, commencing from 01.04.2028 and extending up to 31.03.2043. Therefore, prescribing 01.01.2011 as the cut-off date provides reasonable assurance that the selected projects would remain within their normal useful life throughout the contract period.</p> |
| Capacity Required (in MW) | Minimum Capacity not less than 50% (fifty per cent) of Capacity Required (in MW)                             | Period when supply must commence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                   |                                                                                  |                                  |            |           |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>100</b>                | <b>50</b>                                                                                                    | <b>01<sup>st</sup> April, 2028</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                   |                                                                                  |                                  |            |           |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 3.                        | <b>Reduction of Normative Availability Requirement</b>                                                       | <p>The Supplier shall install, operate and maintain the Power Station in accordance with the Specifications and Standards and the Maintenance Requirements such that the Availability of the Contracted Capacity of the Power</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>Approved.</b> The normative availability requirement has been proposed to be reduced from 90% to 85% considering that the Fuel Supply Agreements (FSAs)</p> |                                                                                  |                                  |            |           |                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |





| S. No. | Issue Concerned                                                         | Provision in bidding document submitted before the Commission                                                                           | Rulings of the Commission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | from 90% to 85%                                                         | Station is at least 85% (eighty-five per cent) thereof during each year of the Operation Period (the "Normative Availability").         | of CIL and its subsidiaries generally provide coal supply commitment up to 85% of the Annual Contracted Quantity (ACQ). Accordingly, prescribing 85% normative availability provides better alignment between the availability obligation and the assured fuel-supply framework, while also avoiding unnecessary tariff loading on account of additional market-purchased coal.                                                                                                                                                                                                        |
| 4.     | <b>Dispensation of Default Escrow Account and Deed of Hypothecation</b> | Article 23 PAYMENT SECURITY:<br>23.1 Omitted<br>23.2 Letter of Credit<br>23.3 Recovery from sale of Contracted Capacity<br>23.4 Omitted | <b>Approved.</b> Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 have strengthened the framework for ensuring payment discipline by distribution licensees, including through prescribed consequences in the event of payment default. The PRAAPTI portal also facilitates monitoring of outstanding dues payable by distribution licensees to generating companies. The Petitioner shall, however, provide an unconditional, revolving and irrevocable Letter of Credit as the payment security mechanism in accordance with the relevant provisions of the PSA. |





40. Upon consideration of the submissions made by NPCL, the Commission is of the view that the proposed procurement of 100 MW of thermal power is aligned with the requirement for long-term firm capacity as directed by the Commission vide order dated 24.06.2026 in Petition No. 2309 of 2025 and is necessary to meet NPCL's power requirements in a reliable and economically prudent manner. Accordingly, the Commission approves the procurement of 100 MW Coal-based thermal power on a long-term basis through Tariff based competitive bidding process.

41. The Commission also approves tender documents along with deviation sought by NPCL. NPCL is directed to undertake the procurement process in accordance with approved tender documents, bidding framework and applicable Regulations & Guidelines. NPCL is directed to file an affidavit affirming that the deviations in the final Bid Documents are confined exclusively to those sought in the Petition or consequential deviations, as applicable, and approved by the Commission.

With above directions, the Petition is disposed of.

  
(Griesh Kumar Vaish)

Member (Law)

  
(Sanjay Kumar Singh)

Member

  
(Arvind Kumar)

Chairman

Place: Lucknow

Dated: 07.10.2026

