



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 1565 of 2020

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Regulation 18 of Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 read with Regulation 57 of UPERC (Conduct of Business) Regulations, 2019 seeking relaxation of Regulation 7 regarding implementation of the RPO Regulatory Fund as mandated by UPERC in its Order dated 30.12.2019, in the matter pertaining to Suo-Moto proceedings regarding meeting of RPO targets by the obligated entities.

AND

IN THE MATTER OF

1. **Uttar Pradesh Power Corporation Limited,**
(Through its Chief Engineer, PPA(Renewable)) Shakti Bhawan 14 Ashok Marg, Lucknow, Uttar Pradesh-226001.
2. **Madhyanchal Vidyut Vitran Nigam Limited,**
(Through its Managing Director) 4A, Gokhale Marg, Block I, Gokhale Vihar, Butler Colony, Lucknow, Uttar Pradesh – 226001.
3. **Purvanchal Vidyut Vitaran Nigam Limited,**
(Through its Managing Director) DLW, Bhikharipur, Varanasi, Uttar Pradesh – 221004.
4. **Paschimanchal Vidyut Vitran Nigam Limited,**
(Through its Managing Director) Victoria Park, Meerut, Uttar Pradesh – 250001.
5. **Dakshinanchal Vidyut Vitran Nigam Limited,**
(Through its Managing Director) Urja Bhawan, 220 KV Sub Station, Bypass Road, Sikandra, Agra, Uttar Pradesh - 282007.
6. **Kanpur Electricity Supply Company Ltd.,**
(Through its Managing Director) 14/71, Civil Lines, KESA House, Kanpur-208001.

..... Petitioners





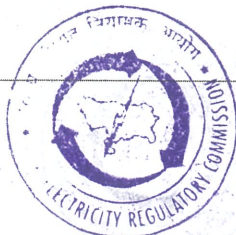
THE FOLLOWING WERE PRESENT

1. Shri Deepak Raizada, CE, UPPCL
2. Shri Abhishek Kumar, Advocate, Petitioner
3. Shri Nived Veerapaneni, Advocate, Petitioner

ORDER

(DATE OF HEARING: 11.03.2025)

1. The Petition has been filed under Regulation 18 of Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 read with Regulation 57 of UPERC (Conduct of Business) Regulations, 2019 seeking relaxation of Regulation 7 regarding implementation of the RPO Regulatory Fund as mandated by UPERC in its Order dated 30.12.2019 in the Suo-Moto proceedings.
2. In its Order dated 24.12.2024, the Commission had observed that merely routing the payment through the RPO account was not the objective of the Commission's Order dated 16.06.2021. The real intent of the Order was to ensure total compliance of the RPO obligations, which the Petitioners have failed to achieve. Consequently, the Commission had directed the Petitioners to file the compliance affidavit along with their consolidated plan for meeting the RPO targets for the relevant years and if the targets were to be met through the purchase of green energy, an action plan for the same was also required to be submitted.
3. In response to the above directions of the Commission, the Petitioner filed an affidavit dated 21.01.2025 wherein, it provided details in support of reasons for the shortfall in RPO compliance. As provided in the submission, three main reasons that led to the shortfall were termination of Solar & Wind PPAs, Lower CUF achieved by co-generation plants and shortfall in supply of Wind power under PSAs executed with PTC, all on account of Covid-19 pandemic. In their submission it has further been emphasized that, had the above terminations and short supply not happened, UPPCL would not only have met but exceeded its targets in all years (FY 2020-21 to FY 2023-24) if full fungibility among various sub-categories is considered. To





demonstrate its bona fide efforts, UPPCL has also provided a list of PPAs executed post-2019 for renewable energy procurement.

4. During the hearing on 23.01.2025, the Petitioner's counsel argued that the failure to meet RPO targets for FY 2020-21 to FY 2023-24 resulted from factors beyond UPPCL's control, particularly the impact of COVID-19. Accordingly, the Petitioner requested the Commission to acknowledge compliance with RPO obligations and declare that no shortfall existed. However, the Commission expressed concern over the absence of a clear roadmap, observing that the affidavit lacked a well-defined long-term strategy to achieve compliance. The Commission reiterated its stance that no waiver of RPO targets would be granted and clarified that any relaxation in the present or related Petitions (Petition Nos. 1809 & 1816) would be considered only upon submission of a comprehensive and actionable roadmap, duly affirmed on affidavit, demonstrating a clear plan to fulfill RPO obligations.
5. The Petitioner has filed an additional affidavit dated 10.03.2025 in compliance to the Commission's Order dated 10.02.2025 wherein they have submitted a roadmap for fulfilling the cumulative RPO shortfall as well as meeting the subsequent year RPO targets assuming the RPO trajectory for the FY 2024-25 and onwards same as that for the financial year 2023-24 i.e. 15%. It has also been submitted that considering the cumulative shortfall of 29.266 MUs till the end of FY 2023-24 and projected shortfall/ excess procurement in the subsequent financial years, UPPCL has targeted to achieve cumulative surplus RPO by 31.03.2028.
6. During the present hearing, the Commission observed that it can be seen from UPPCL's own submission that they are not only failing to cover the previous RPO shortfall but would also be failing to meet their current annual RPO targets for the FY 2024-25 and 2025-26 thereby adding to the previous backlog instead of fulfilling it. The Commission further observed that these are the projections when UPPCL had submitted the roadmap considering RPO trajectory for the FY 2024-25 and onwards same as that for the financial year 2023-24 i.e. 15%, whereas, the Commission is yet to prescribe RPO targets beyond FY 2023-24, which would undoubtedly be higher considering the trajectory prescribed by the MoP.

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7. The Commission expressed its concern also about how the Petitioner would meet the RPO trajectory prescribed by Ministry of Power's notification dated 20.10.2023, given its inability to meet the requirement of 15%. The Commission emphasized the importance of Resource Adequacy Planning and its timely execution for ensuring that the petitioner's procurement strategy and infrastructure adequately support its plan to achieve cumulative RPO compliance encompassing both the RPO backlog and the future RPO targets. The Commission directed the Petitioner to consider purchasing Renewable Energy Certificates (RECs) as an alternative compliance mechanism, given its continued default on RPO obligations.
8. The Petitioner again reiterated that the non-compliance occurred due to the cascading effect of COVID-19, which resulted in delay in signing of the PPAs, termination of some PPAs and delay in SCOD of the projects. Acknowledging the challenges posed by the pandemic, the Commission observed that any relief granted to the Petitioner would be solely on account of these exceptional circumstances.
9. After due consideration, the Commission found no merit in continuing the present petition. The petitioner is directed to align the resolution of its existing backlog with a structured future roadmap, ensuring compliance within the next three years. Additionally, the petitioner must provide a well-defined justification outlining the specific measures and strategies it will adopt to systematically liquidate the outstanding backlog.
10. The Commission, after due consideration of the facts, decides to vacate the previous Order of the Commission dated 16.06.2021 in the matter directing UPPCL to deposit Rs. 7244.65 Crores in the RPO fund/account [Rs.1459.34 Crores on account of shortfall till FY 2020-21 and Rs. 5785.31 Crore on account of RPO requirement for FY 2021-22]. Further, the Commission, in exercise of its Power to Relax as provided under Regulation 18 of the RPO Regulations, allows roll over of the entire previous year's RPO shortfall to the FY 2024-25 i.e. 31.03.2025 with the dispensation that UPPCL shall achieve 25%, 35% and 40% of the cumulative RPO shortfall at the end of FY 2024-25 in three subsequent financial years 2025-26, 2026-27 and 2027-28


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respectively, which will be in addition to their annual RPO target prescribed under the prevalent RPO Regulations.

11. The RPO achievement during FY 2025-26 shall be adjusted first against 25% backlog followed by the annual RPO target. Any excess/shortfall shall be adjusted/added to the subsequent financial year's backlog and the process shall go on until the entire RPO shortfall is fulfilled or the end of financial year 2027-28, whichever is earlier. Any shortfall shall be met by purchasing Renewable Energy Certificates (RECs) as an alternative compliance mechanism.
12. UPPCL shall submit its annual RPO compliance report, in line with the above directions, for review by the Commission.
13. With the above directions, the Petition is disposed of.


(Sanjay Kumar Singh)
Member


(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 19.03.2025

