



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 2100 of 2024

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Amended Petition under Section 63 read with Section 86(1) (b) of the Electricity Act, 2003 read with the applicable provisions of the UPERC (Conduct of Business) Regulations, 2019 for approval of procurement of 500MW of Wind Power in terms of the PSA dated 19.10.2023 read with the Supplementary PSA dated 04.06.2025 entered into between UPPCL and SECI on long term basis procured through TBCB held under the Inter-State Transmission System Tranche-XIV Scheme.

AND

IN THE MATTER OF

Uttar Pradesh Power Corporation Ltd. (UPPCL),

Shakti Bhawan, 14-Ashok Marg, Lucknow-226001.

..... Petitioner

Versus

Solar Energy Corporation of India Ltd. (SECI),

6th Floor, Plate-B, NBCC Office Block Tower-2,

East Kidwai Nagar, New Delhi-110023

.....Respondent

FOLLOWING WERE PRESENT

1. Sh. Divyanshu Bhatt, Advocate, UPPCL
2. Sh. Shashwat Singh, Advocate, UPPCL
3. Sh. Kumar Suryamauli Shah, Sr. Engineer, SECI

by.





ORDER

(DATE OF HEARING: 12.08.2025)

1. The Petitioner, UPPCL by way of this Petition is seeking approval for procurement of 690MW (originally) Wind power under the PSA dated 19.10.2023 executed between UPPCL and SECI. However, this 690MW power procurement changed to 500MW under the Supplementary PPA dated 04.06.2025.

Prayer(s)

2. The prayers of the Petitioner in the Original Petition were as follows:
 - a) Approve the procurement of 690 MW of Wind Power on long term basis procured by UPPCL from SECI through tariff based competitive bidding process held under the Inter State Transmission System Tranche-XIV Scheme.
 - b) Approve the Power Sale Agreement executed on 19.10.2023 executed between Solar Energy Corporation of India Limited and UPPCL. and/or
 - c) Pass any further Order(s) as this Commission may deem fit in the facts and circumstances of the case.
3. The prayers of the Petitioner in the amended Petition (filed on 08.08.2025) are as follows:
 - a) Approve the procurement of 500 MW of Wind Power on long term basis procured by UPPCL from SECI through tariff based competitive bidding process held under the Inter State Transmission System Tranche-XIV Scheme.
 - b) Approve the Power Sale Agreement dated 19.10.2023 and the Supplementary Power Sale Agreement dated 04.06.2025 executed between Solar Energy Corporation of India Limited and Uttar Pradesh Power Corporation Limited; and
 - c) Pass any further order(s) as this Commission may deem fit in the facts and circumstances of the case.

Brief Facts as stated in the amended Petition.

4. The Petitioner has mainly submitted the following:

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- a) The Ministry of Power (hereinafter referred to as MoP) had issued "Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Power Projects" vide its Gazette Resolution dated 08.12.2017.
- b) MoP vide Order dated 23.11.2021, with a view to encourage faster capacity addition based on solar or wind energy sources, in supersession of earlier orders and in accordance with para 6.4 (6) of the Tariff Policy, 2016 and sub-rule 12 of rule 5 of the Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules, 2021, granted waiver of inter-state transmission charges on transmission of electricity generated from solar and wind sources of energy to projects commissioned up to 30.06.2025. Subsequently, MoP through an addendum dated 30.11.2021 provided that where a Renewable Energy generation capacity which was eligible for ISTS waiver in terms of the extant orders and was granted extension in COD by the competent authority, the commencement and the period of the LTA would also get extended accordingly, and it would be deemed that the period of ISTS waiver is extended by the said period.
- c) In compliance with the aforementioned Guidelines, SECI, the central nodal agency for developing and facilitating the establishment of the Grid connected Wind Power capacity in India, had floated a Request for Selection (RFS) document dated 20.02.2023 for the selection of Wind Power Developers (WPDs) on Build Own Operate (BOO) basis for Setting up of 1200 MW ISTS-connected Wind Power Projects in India under TBCB.
- d) Pursuant to the floating of the RFS and scrutinising the bids, which were received by SECI from various WPDs, SECI entered into PPAs with two WPDs for 500MW capacity, namely Apraava Energy Private Limited and SJVN Green Energy Limited. Moreover, SECI was in the process of signing the third PPA with Green Prairie Energy Private Limited as per project progress status as on 29.02.2024. The details of which have been exhibited below:

S No.	WPD Name	Capacity (MW)	Date of PPA	Applicable Tariff (Rs/kWh)
1.	Green Prairie Energy Private Limited	190	-----	3.18
2.	Apraava Energy Private Limited	300	20.11.2023	3.24

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3.	SJVN Green Energy Limited	200	27.10.2023	3.24
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- e) Power Sale Agreement (PSA) dated 19.10.2023 was executed between UPPCL and SECI. In terms of Article 1.1 of the PSA, it was agreed upon between UPPCL and SECI that SECI would be entitled to receive the tariff as indicated in the aforementioned table along with a trading margin of Rs. 0.07/kWh fixed for the entire term of the PSA.
- f) SECI had filed a Petition no. 53/AT/2024 before the Central Electricity Regulatory Commission (CERC) for Adoption of Tariff of 690MW Wind Power Projects selected through Competitive Bidding Process as per the MoP Guidelines dated 08.12.2017, as amended from time to time, and interpreted and modified by the Central Government vide subsequent communications/notifications.
- g) The CERC, vide its order dated 25.04.2024 in Petition no. 53/AT/2024, had adopted the individual tariff for the wind power projects to tune of 500 MW, as agreed to by the successful bidder(s), and for which PPAs have been entered into by SECI on the basis of the PSA with the distribution licensee. The CERC has recorded in its Order dated 25.04.2024 that SECI needs to approach again for the adoption of tariff in respect of the balance capacity of 190 MW, once such capacity is tied up with Green Prairie Energy Private Limited.
- h) On 20.11.2024, SECI issued a show-cause notice against M/s Green Prairie Energy Pvt. Ltd. regarding non-submission of Performance Bank Guarantee resulting in non-signing of PPA for 190MW Wind Power Projects awarded by SECI under the RFS dated 20.02.2023.
- i) On 24.01.2025, SECI informed UPPCL that it had cancelled the Letter of Award (LoA) issued to M/s Green Prairie Energy Private Limited and pursuant to the same, the PSA capacity and Energy clause of the aforementioned PSA has to be amended accordingly. Thereafter, on 15.03.2025, UPPCL had issued a show-cause notice to M/s Green Prairie Energy Pvt. Ltd. citing reasons in details of its defaults and sought a clarification as to why M/s Green Prairie Energy Pvt. Ltd. and its parent company and directors were not to be debarred/blacklisted by UPPCL.

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- j) On 25.05.2025, UPPCL informed SECI that UPPCL would proceed for blacklisting or debarment of M/s Green Prairie Energy Pvt. Ltd. including their Parent Organisation and Directors and requested SECI for doing the same as such action would help in mitigating similar issues in the future.
- k) Subsequently, the Parties have executed the Supplementary PSA dated 04.06.2025, amending the PSA dated 19.10.2023, for procurement of revised capacity of 500MW Wind power. As a consequence, total Contracted Capacity has been changed from 690 MW to 500 MW vide the SPSA and additionally, Recital F as well as clause 2.11.3 have been suitably amended to give effect to the aforementioned change in the contracted capacity.
- l) The procurement of Wind Power from WPDs in the instant case is also an endeavour of UPPCL to fulfil its obligation of procuring power from non-solar Renewable Purchase Obligation (RPO) for promoting green energy and optimising the cost of power purchase which is for the benefit of the electricity consumers of Uttar Pradesh.
- m) The CEA has proposed the projections considering year on year increase of 7% in demand up to FY 2032 and thereafter 5.50% in FY 2033 and 5% in FY 2034. A tabular representation of the details has been reproduced below:

FY	Thermal (MW)	Hydro (MW)	Wind (MW)	Solar (MW)	Distributed RE (MW)	Total (MW)
2026-27	5027	250	800	8000	-	14077
2027-28	2131	250	800	8000	-	11181
2028-29	-	250	800	8000	-	9050
2029-30	-	250	1800	3624	710	6384
2030-31	-	-	800	5444	1617	7861
2031-32	458	-	800	4895	1801	7954
2032-33	1186	-	800	4104	1808	7898
2033-34	3199	-	800	2484	1896	8379
Total	12001	1000	7400	44551	7832	72784

- n) Furthermore, the forecasted demand and availability up to FY2034 has been reproduced below:

Apr-Mar (Average)			
Year	Avg. Supply (MW)	Avg. Demand (MW)	Surplus/Deficit (MW)
2024-25	21596	19421	2175
2025-26	24408	20781	3627

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2026-27	24592	22236	2356
2027-28	24592	23792	800
2028-29	24592	25458	-866
2029-30	25219	27240	-2021
2030-31	29126	29147	-21
2031-32	29126	31187	-2061
2032-33	29126	33370	-4244
2033-24	29126	35706	-6580

o) The MoP, vide notification dated 20.10.2023, had mandated the power distribution companies (Discoms) to prepare a RPO roadmap and stated that RPO targets on discoms for FY2024-25 shall be 29.91%. RPO targets further increase to 43.33% (FY 2029-30). The MoP through aforesaid notification dated 20.10.2023 also provided the criteria to meet the obligation against each category however, 100% fungibility has been provided between Wind, Hydro, and Other Renewable sources. The criteria are being outlined below:

I. Wind RPO shall be met from the Wind Power Projects commissioned after 31.03.2024.

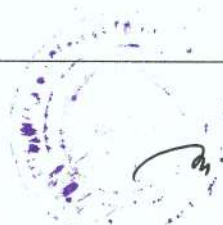
II. Hydro RPO shall be met only from Hydro Power Projects (including Pump Storage and Small Hydro Projects) commissioned after 31.03.2024.

III. Other RPO can be met by energy produced from any RE projects other than specified under Wind, Hydro, and Distributed RPO and shall comprise energy from all WPPs and Hydro Power Projects (including Pump Storage and Small Hydro Projects), including free power, commissioned before the 01.04.2024.

IV. Distributed RE RPO shall be met only from energy generated from RE projects that are less than 10 MW in size.

p) As per Clause 6 of the aforesaid MoP Notification dated 20.10.2023, any shortfall in RPO targets will be treated as non-compliance and penalty will be imposed for each unit of shortfall in meeting the energy consumption norms as per the amended Energy Conservation Act, 2001. In accordance with section 12(3) of the aforementioned Act, the non-compliance of the directions as mentioned, a penalty shall be levied from the Discoms which shall not exceed Rs. 10 lakhs for each failure.

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- q) MNRE vide notification dated 01.02.2024 had further notified that additional penalty shall also be levied to the tune of Rs. 3.72/ unit for each unit of shortfall in meeting RE consumption norms.
- r) From the bare perusal of Section 86(1)(a) & (b) of the Act, if the procurement of power is done through TBCB in accordance with the guidelines issued by the Central Government, it is mandatory upon this Commission to adopt the tariff determined during such process. In the instant case, the Guidelines were issued by the MOP and the tariff has been discovered vide TBCB hence, the Commission has been requested to approve and adopt the tariff.

Records of Proceedings

5. During the hearing dated 20.08.2024, Sh. Divyanshu Bhatt, Counsel of UPPCL submitted that out of 690MW capacity, only 500MW capacity consisting of two PPAs had been signed by the SECI with the project developers. The Commission admitted the Petition and allowed the Respondent to file its response within two weeks' time with a copy to the Petitioner for filing its rejoinder within one week thereafter. SECI was also directed to submit its response on the justification for charging trading margin of 7 paise per unit. It was also directed that both UPPCL and SECI would file response on the issue of trading margin and Payment Security Mechanism provided by UPPCL under the PSA. Further, UPPCL was directed to file complete copy of the PPAs linked to PSA dated 19.10.2023. On 12.09.2024, SECI filed its reply in the matter.
6. On the hearing dated 19.09.2024, Counsel of UPPCL submitted that subsequent to the bidding, one of the WPDs (i.e., 190 MW Green Prairie Energy Pvt. Ltd.) had not come up for signing PPA and SECI through its letter dated 16.08.2024 had approached UPPCL with an offer that 190MW may be allocated to the remaining two WPDs (i.e., Apraava Energy Pvt. Ltd. and SJVN Green Energy Ltd.). He sought further four weeks' time to evaluate the SECI's offer dated 16.08.2024 and to file additional submissions in this regard. On specific query of the Commission regarding the tariff applicable for the 190MW, Sh. Deepak Raizada responded that recent discovered tariff is higher than the discovered tariff in the matter and sought time for detailed analysis for a conclusive decision. Counsel of SECI expressed no objection to the UPPCL's request. The Commission adjourned the hearing on UPPCL's request.

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7. On the hearing dated 24.10.2024, Counsel of UPPCL submitted that they had not reached any conclusion while discussing the matter with SECI. Officer of SECI submitted that they were in the process of terminating/excluding the project developer- Green Prairie Energy Pvt. Ltd. from the list of successful Bidder, however, the existing two developers have denied executing SPPA of 190MW at a tariff of Rs. 3.18 per unit i.e., @ tariff of Green Prairie Energy Pvt. Ltd. against their tariff of Rs. 3.24 per unit. On specific query of the Commission regarding timeline required to reach a conclusion, officer of SECI did not respond. The Commission observed that it was already more than 2 months and SECI and UPPCL have yet not reached to a decision. Accordingly, it would be waste of court's time in giving another date for hearing without any timeline commitment by the parties. Therefore, the Commission decided to keep the matter in abeyance till the parties reach a decision in the matter and furnish their submission on record. On 06.11.2024 & 04.07.2025, UPPCL filed additional affidavits in the matter.
8. On the hearing dated 29.07.2025, Sh. Bhatt, Counsel of UPPCL submitted that since one of the successful bidders i.e., Green Prairie Energy Pvt. Ltd. had not signed the PPA with SECI for 190MW capacity, therefore, UPPCL has decided to reduce the contracted capacity under the PSA dated 19.10.2023 from 690MW to 500MW accordingly, SPSA dated 04.06.2025 was executed between SECI and UPPCL. He further sought ten days' time to amend the instant Petition. The Commission allowed UPPCL's request to amend the Petition within ten days' time with a copy to SECI. On 11.08.2025, UPPCL filed its amended Petition.
9. On the hearing dated 12.08.2025, Counsel of UPPCL submitted that in compliance with the Commission's Order dated 31.07.2025 amended Petition was filed on the previous day wherein prayer with respect to contracted capacity of 500 MW was incorporated in view of SPSA dated 04.06.2025. Representative of the SECI submitted that SECI did not have any objection to the amended Petition as well as power procurement approval of 500MW capacity.

Reply of SECI

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10. On 12.09.2024, SECI filed its reply to the Original Petition and has mainly submitted following:

- a) SECI in the capacity of Renewable Energy Implementing Agency (REIA) or intermediary procurer issued the Request for Selection (RfS) dated 20.02.2023 along with Standard draft of PPA and PSA documents for setting up of 1200 MW ISTS connected Wind Power Projects (Tranche-XIV) as per the Guidelines and floated the same on ISN Electronic Tender System (ISN ETS) e-bidding portal. The RfS Document has been prepared in line with the Guidelines dated 08.12.2017 notified by Ministry of Power, Govt. of India including subsequent amendments and clarification thereto. The key milestones in the bidding process of 1200MW Wind Power (Tranche-XIV) were as under:

S. No.	Milestone	Date
1.	RfS issued by SECI.	20.02.2023
2.	Pre-Bid Meeting held.	27.02.2023
3.	Corrigendum -01 to the RfS documents	31.03.2023
4.	Last date of Bid Submissions.	17.04.2023
5.	Opening of Techno-Commercial Bids.	21.04.2023
6.	Opening of Financial Bids.	12.06.2023
7.	E-Reverse Auction Conducted.	12.06.2023
8.	Issuance of Letter of Award (LoA) to the Successful Bidder: 1. Green Prairie Energy Pvt. Ltd.- 190 MW- Rs. 3.18/kWh 2. Apraava Energy Pvt. Ltd.- 300 MW- Rs. 3.24/kWh 3. SJVN Green Energy Ltd.- 200 MW- Rs. 3.24/kWh	23.06.2023
9.	Power Sale Agreement (PSA) executed between SECI and UPPCL for 690 MW for supply of power from 3 Wind Power Developers.	19.10.2023
10.	Power Purchase Agreement (PPA) executed between SECI and SJVN Green Energy Ltd. for 200 MW.	27.10.2023
11.	Power Purchase Agreement (PPA) executed between SECI and Apraava Energy Pvt. Ltd. for 300 MW.	20.11.2023
12.	CERC passed an Order in Petition No. 53/AT/2024 and adopted the Tariff for 500 MW in respect of sale of power to UPPCL under the agreed arrangement as indicated in Schedule B of PSA dated 19.10.2023.	25.04.2024

- b) SECI and UPPCL entered into PSA for supply of 690MW Wind power under Tranche-XIV and UPPCL was mapped to receive power from 3 WPDs as provided under Article 1.1, Recital E and Schedule-B of the PSA dated 19.10.2023. Further, UPPCL have agreed to Trading Margin of Rs.0.07/kWh in terms of Guideline No. 3.1(c)(ii) of Guidelines dated 08.12.2017, Section 6 of the RFS dated 20.02.2023 and Article 1.1 of the PSA dated 19.10.2023 executed with SECI.

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- c) The CERC adopted the tariff for each WPDs individually as applicable for the respective WPD and therefore, the State Commission, in accordance with Rule 8 of electricity Rules 2005 is ought to approve the same without any change.
- d) The price payable by UPPCL under PSA dated 19.10.2023 inclusive of the trading margin of Rs. 0.07/unit is economical, competitive and in the interest of the consumers and also that such lower price has emerged in view of the involvement of SECI. SECI, by virtue of its operations, is exposed to various risks such as payment default, late payment, breach of contract, inflation etc. thus the Trading Margin, Rs. 0.07/kWh as applicable in the present cases, is to mitigate the risk being borne by SECI.
- e) The Hon'ble APTEL, while considering the issue of trading margin in context of a similar PSA executed Between SECI and Distribution Licensee, in the recent decision dated 02.07.2021 passed in Appeal Nos. 52 of 2021 and 70 of 2021 filed by SECI in the matter of *SECI vs. DERC & Ors.* and *SECI Vs. PSERC & Anr* has held that CERC is responsible for setting the trading margin for interstate trading licensee in accordance with the relevant regulation issued by the Central Commission. The aforesaid position of law has been reiterated by the Hon'ble APTEL in its recent Order dated 06.07.2023 in Appeal No. 199 of 2023 in *SECI Vs. UPERC & Anr.* Any disputes regarding the trading margin to be resolved by the Central Commission.
- f) The provisions of Article 10.4 of the PPAs and clause 10 of Regulation 9 of the CERC Trading License Regulations, 2020 mandate SECI to provide an escrow arrangement or irrevocable, unconditional, and revolving Letter of Credit (LC) to the Wind Power Developers. In case of failure, trading margin shall be limited to Rs. 0.02/kWh specified in Regulation 8(1)(d) & (f) of the CERC Trading licensee Regulations.

Analysis & Decision

11. UPPCL, by way of instant Petition, is seeking approval for procurement of 500MW Wind Power under TBCB process on long-term basis of 25 years along with approval of PSA dated 19.10.2023 and SPSA dated 04.06.2025 executed with SECI. UPPCL has

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submitted that this wind power procurement would facilitate in optimising power purchase cost as well as in compliance of RPO targets.

12.CERC, vide its Order dated 25.04.2024 in Petition No. 53/AT/2024, has adopted the individual tariff for the Wind Power Developers with total capacity of 500MW which would be supplied to UPPCL. The relevant extract of the quantum of power executed under the PSA by UPPCL as observed in the aforementioned Order dated 25.04.2024 are as follows:

"25. In view of the aforesaid discussions, it emerges that the selection of the successful bidders has been done, and the tariff of the wind power projects has been discovered by the Petitioner, SECI, through a transparent process of competitive bidding in accordance with Guidelines issued by Ministry of Power, Government of India under Section 63 of the Act. Therefore, in terms of Section 63 of the Act, the Commission adopts the individual tariff for the wind power projects to tune of 500 MW, as agreed to by the successful bidder(s), and for with PPAs have been entered into by SECI on the basis of the PSA with the distribution licensee, which shall remain valid throughout the period covered in the PPAs and PSA as under:

Name of Wind Power Developer	PPA date	Quantum of Power (MW)	Tariff (Rs./kWh)
Apraava Energy Private Limited	20.11.2023	300	3.24
SJVN Green Energy Ltd.	27.10.2023	200	3.24

26. However, the Petitioner is granted the liberty to approach the Commission for the adoption of tariff in respect of the balance capacity of 190 MW once such capacity is tied up under the PPA and the same shall be considered by the Commission in accordance with the law."

13.The details of the PPAs under the PSA dated 19.10.2023 & SPSA dated 04.06.2025 executed between UPPCL and SECI for procurement of 500MW Wind power are tabulated as under:

Sl. No.	WPD	Date of PPA	Project Capacity (MW)	Declared Annual CUF (%)	Tariff* (Rs/kWh)
1	Apraava Energy Private Limited	20.11.2023	300	42.37	3.31
2	SJVN Green Energy Limited	27.10.2023	200	27.5	3.31
	Total		500		

**Including trading margin of 7 paise/kWh.*

14.In view of above, the Commission approves the Wind power procurement of 500 MW at the individual tariff as per table at para 13 above in terms of CERC Order dated 25.04.2024 in Petition No. 53/AT/2024. However, in case of failure by SECI to provide an Escrow arrangement or irrevocable, unconditional revolving letter of credit to the Wind Power Developers (WPDs), trading margin shall be limited to Rs.0.02/kWh in terms of Regulation 8 of the CERC (Trading

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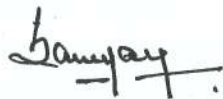


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license) Regulations, 2020. The Commission also approves the PSA dated 19.10.2023 & SPSA dated 04.06.2025 executed between UPPCL & SECI.

The Petition stands disposed of in terms of above.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow

Dated: 26.08.2025