



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

**Petition No. 2228 of 2025**

**QUORUM**

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

**IN THE MATTER OF:**

Petition under Section 63 and 86(1) (a) & (b) of the Electricity Act, 2003, read with Regulation 15 of the Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2019, seeking approval of the Power Supply Agreement (PSA) dated 16.05.2025 for procurement of 1500 MW of power from thermal generating stations to be set up within Uttar Pradesh under the Design, Build, Finance, Own and Operate (DBFOO) model by sourcing fuel from the allocated coal linkage arranged under SHAKTI Policy B(iv) and for adoption of tariff discovered through competitive bidding process.

**AND**

**IN THE MATTER OF**

**Uttar Pradesh Power Corporation Limited (UPPCL),**

Shakti Bhawan, 14- Ashok Marg, Lucknow-226001

..... Petitioner

**FOLLOWING WERE PRESENT**

1. Shri Savyasachi Saumitra, Advocate, UPPCL
2. Shri A.K. Zaidi, Advocate, UPPCL
3. Ms. Kavita Singh, SE(Planning), UPPCL
4. Shri Ayush Singh, EE(Planning), UPPCL
5. Shri Sayed Abbas Rizvi, CE(Planning), UPPCL

by





## ORDER

**(DATE OF HEARING: 25.09.2025)**

1. The Petitioner has filed the present Petition for approval of Power Supply Agreement (PSA) dated 16.05.2025, executed between UPPCL and M/s Mirzapur Thermal Energy (UP) Private Limited for procurement of 1500 MW of power from the said project to be set up under Design, Build, Finance, Own and Operate (DBFOO) model by sourcing fuel from the allocated coal linkage under B(iv) of Shakti Policy and for adoption of tariff discovered through the Competitive Bidding Process conducted in terms of Section 63 of the Electricity Act, 2003.
2. The Petitioner has prayed as following:
  - a) Admit the Petition;
  - b) Pass an order adopting the tariff discovered through the Competitive Bidding Process conducted on the basis of Design, Build, Finance, Own and Operate (DBFOO) model by sourcing fuel from the allocated coal linkage arranged under SHAKTI Policy B(iv), in terms of Section 63 of the Electricity Act, 2003.
  - c) Pass an order approving the final executed Power Supply Agreement (PSA) dated 16.05.2025, entered into between UPPCL and M/s Mirzapur Thermal Energy (UP) Private Limited.
  - d) Pass any further order(s) as the Commission may deem fit in the facts and circumstances of the case.
3. During the hearing, Counsel for UPPCL, submitted that the Petition has been filed for approval of the PSA dated 16.05.2025, entered into between UPPCL and M/s Mirzapur Thermal Energy (UP) Private Limited, for procurement of 1500 MW power from 2x800 MW Thermal Power Generating Station to be set up within Uttar Pradesh under the DBFOO model and for adoption of tariff discovered through the Competitive Bidding Process. He further submitted that the objective of this procurement is to ensure cost effective and reliable power supply in line with long-term demand projections and energy security required. He further submitted that, in compliance with UPERC (Modalities of Tariff Determination) Regulations 2023, UPPCL had filed Petition No. 2084 of 2024 before the Commission for approval of deviations in the Model Bidding

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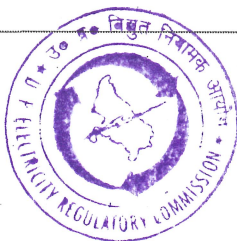




Documents and the Commission, vide Order dated 04.07.2024, had approved the proposed deviations. Pursuant to the said approval, the Petitioner conducted the bidding process through the DEEP portal.

4. The Commission enquired the Petitioner about the requirement for installation FGD equipment. In response, Counsel for UPPCL submitted that UPPCL had written to Adani Power Ltd. (APL), informing that the requirement for FGD installation had been removed by the Central Government. However, APL has not reverted to the said communication. Counsel for UPPCL sought four weeks to obtain and submit APL's response.
5. The Commission observed that, once it was confirmed that FGD would not be required, UPPCL ought to have approached the Commission with revised fixed charges and operating expenses to the extent of the impact of savings in the project fixed and operational cost due to exclusion of FGD, as per the recommendations of the Negotiation Committee. The Commission further noted that the applicable GST rates on coal have changed therefore, UPPCL should have clearly assessed its impact on variable charges in terms of the PSA provisions.
6. The Commission accepted the Petitioner's request and allowed four weeks' time for filing their reply. The Commission also decided to continue the deliberations in the next hearing and directed UPPCL to revert on following points:
  - i. Detailed cost breakup of the FGD system, including the basis of such cost determination and reference document/ DPR indicating the specification or type of FGD system,
  - ii. Computation of the revised fixed charges showing cost savings from the exclusion of the FGD system,
  - iii. Computation of impact on variable charges and O&M expenses due to exclusion of the FGD system,
  - iv. Assess the impact of changes in GST rates on coal on the variable charges as per PSA provision of change in law.
  - v. Place APL's response.

by







The matter be again listed on 04.11.2025.

  
(Sanjay Kumar Singh)  
Member

  
(Arvind Kumar)  
Chairman



Place: Lucknow

Dated: 08.10.2025